



# UNITED STATES MARINE CORPS

COMMANDER, MARINE FORCES RESERVE  
4400 DAUPHINE STREET  
NEW ORLEANS, LOUISIANA 70146-5400

ForO P4200.1

KO

31 MAY 1995

ORIGINAL

## FORCE ORDER P4200.1

From: Commander  
To: Distribution List

Subj: STANDING OPERATING PROCEDURES FOR PURCHASING AND CONTRACTING  
(SHORT TITLE: SOP FOR PURCHASING AND CONTRACTING)

Ref: (a) MCO P4200.15G

Encl: (1) LOCATOR SHEET

1. Purpose. To prescribe standing operating procedures for the conduct of purchasing and contracting actions with the Marine Forces Reserve (MARFORRES).

### 2. Information

a. In addition to the reference, the Federal Acquisition Regulation (FAR), and the Department of Defense (DoD) Federal Acquisition Regulations Supplement (DFARS) provide procedural guidance for effective purchasing and contracting actions.

b. The information and instructions contained in this Manual are intended to amplify the FAR, DFARS, MCO P4200.15G, and other pertinent Federal standards and Marine Corps orders and directives. This Manual also includes specific guidance dealing with the unique structure of the Marine Forces Reserve. Whenever instructions contained in this Manual conflict with directives and orders from a higher headquarters, the directives/orders of the higher headquarters shall take precedence.

### 3. Action. Unit Commanders shall ensure:

a. That all personnel involved with implementing this Manual are thoroughly familiar with the contents.

b. That local instructions be established for the internal administrative/operational procedures between the Unit Contracting/Purchasing section and the various additional supported units/sections who request contracting/purchasing support.

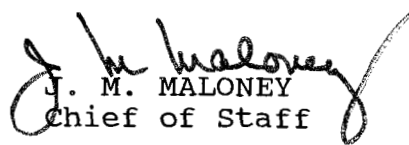
4. Recommendations. Recommendations concerning the contents of the Standing Operating Procedures for Purchasing and Contracting are invited and encouraged. Such recommendations shall be submitted to the Commander (KO), Marine Forces Reserve via the appropriate chain of command.

ForO P4200.1

31/10/00

5. Reserve Applicability. This Manual is applicable to the Marine Corps Reserve.

6. Certification. Reviewed and approved this date.

  
J. M. MALONEY  
Chief of Staff

DISTRIBUTION: D

Copy to: CMC (LBO)  
FSMAO-1; Camp Lejeune, NC  
FSMAO-2; Camp Pendleton, CA

## SOP FOR PURCHASING AND CONTRACTING

### RECORD OF CHANGES

Log completed change action as indicated.

Change Number	Date of Change	Date Entered	Signature of Person Incorporated Change

ForO P4200.1  
31 MAY 1955

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(SHORT TITLE: SOP FOR PURCHASING AND CONTRACTING)

Location: \_\_\_\_\_  
(Indicate location(s) of copy(ies) of this Manual.)

ENCLOSURE (1)



# SOP FOR PURCHASING AND CONTRACTING

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**GENERAL INFORMATION**

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# SOP FOR PURCHASING AND CONTRACTING

## CHAPTER 1

### GENERAL INFORMATION

#### 1000. PURPOSE

1. The purpose of this Manual is to establish the authority, responsibilities, and basic procedures to be used by MARFORRES activities in the acquisition of supplies and/or services through the use of appropriated funds.
2. The instructions contained in this Manual will assist MARFORRES activities in the attainment of their acquisition objective of acquiring the necessary supplies and/or services of the desired quality, in a timely manner, and at a fair and reasonable price.

#### 1001. INFORMATION

1. At the Department of Defense (DoD) level, the Assistant Secretary of Defense for Production and Logistics (ASDP&L) is delegated broad authority over contracting matters, including establishment of uniform DoD contracting policies and procedures for acquisition of supplies and services under statutory authority. The ASDP&L is responsible for issuance of the Department of Defense Federal Acquisition Regulation (DFAR). The DFAR applies to all purchases and contracts made by the DoD within or outside the United States for supplies or services which obligate appropriated funds.
2. Within the Department of the Navy (DON), the responsibility for the performance of DON-wide contracting functions and services has been delegated to the Assistant Secretary of the Navy (Research, Development and Acquisition) (ASN (RD&A)). The Office of the Director of Procurement Policy currently acts for the ASN (RD&A) for the purpose of administering and formulating contracting policy as follows:
  - a. Provides the staff for development and formulation of DON-wide contracting regulations and, in so doing, coordinates with Marine Corps and other Navy Department activities, when appropriate.
  - b. Prepares and publishes the Navy Acquisition Procedures Supplement (NAPS) per the policies and direction of the ASN (RD&A).
  - c. Performs, on a DON-wide basis, other contracting functions per the applicable DoD and Navy contracting and acquisition regulations and directives.
3. The Commandant of the Marine Corps (CMC) and the Deputy Chief of Staff for Installations and Logistics (DC/S I&L) and the Marine Corps Systems Command (MARCORSYSCOM) have been designated as the Heads of

Contracting Activity (HCA) with authority to exercise the powers enumerated in Title 10, United States Code. The Director, Contracts Division (LB), advises the DC/S I&L in all contracting matters, procures equipment and services for items centrally managed at HQMC, and for other requirements. The Field Contracting Support Branch (LBO) exercises functional management control over contracting at activities of the Marine Corps Field Contracting System for the Director, Contracts Division, with the exception of MARCORSYSCOM. The Major Field Contracting Office, MARFORRES exercises functional control over Purchasing/Contracting activities within the MARFORRES.

4. As indicated in chapter 2 of this Manual, the Contracting Officer (KO) has further delegated purchasing and contracting authority to individuals appointed by name, in writing, as contracting officers. Designated contracting officers are authorized to enter into contracts on behalf of the United States and to make certain determinations and findings as required by law and regulation.

#### 1002. DEFINITIONS

1. CONTRACT. A "contract" is a legally binding relationship that obligates the seller to provide services and/or supplies and the buyer to provide just compensation in exchange for those goods or services. Government contracts are normally effected through a bilateral written instrument to include, but not limited to, delivery orders, purchase orders, blanket purchase agreements, contract awards in response to an Invitation for Bids (IFB), and acceptance of an offer or proposal in response to a Request for Proposal (RFP).

2. PURCHASE REQUEST DOCUMENT. A "purchase request document" is a requisition document which contains an authorizing signature, fund citation, complete description of the supplies or services required, required delivery date, priority designator, and recommended source of supply, if known. The purchase request should also contain, when applicable, any drawings, plans, blueprints, or other germane technical data. The Navy Comptroller Form 2276 (NAVCOMPT 2276) is the standard purchase request document for the MARFORRES. The Department of Defense Form 1149 (DD 1149) may also be substituted as permitted, but its use should be preceded by a call to the MARFORRES Contracting Office.

3. OPEN-MARKET PROCUREMENT. "Open-market procurement" is the method by which a government agency acquires ownership or control of supplies or obtains services from commercial-sources, normally in exchange for payment of appropriated-funds. Open-market procurement is generally regarded as the least preferred method of acquisition. Using units must therefore ensure that all Military Standard Requisitions and Issue Procedures (MILSTRIP) are exhausted prior to the initiation of supplies or services through the open market.

4. FORMAL CONTRACTS. "Formal contracts" is the authority for the procurement of acquisitions on the open-market that exceeds \$25,000.00. This procurement method utilizes two formal contracting procedures, sealed bidding and negotiations.

a. Invitation For Bids (IFB). An IFB is appropriate when firm specifications are available and award is based primarily on price, also known as sealed bidding.

b. Request For Proposal (RFP). An RFP is utilized when specifications are vague and requested item(s) or service(s) is/are not normally available commercially in sufficient quantities, also known as negotiations.

5. SMALL PURCHASE. "Small purchase" is the open-market acquisition of supplies and non-personal services when the aggregate amount of any one transaction does not exceed \$25,000. The term "small purchase" does not include formally advertised contracts, regardless of the dollar amounts, or delivery orders placed against indefinite delivery-type contracts or against government sources of supply. Small purchase instruments include imprest funds, delivery orders, purchase orders, IMPAC buys, and Blanket Purchase Agreements (BPA's).

6. PURCHASE ORDER. A "purchase order" represents an offer, by the government, to buy specific supplies or non-personal services from commercial sources, for which specified terms and conditions have been established (unit and total price, unit of issue, delivery dates, payment terms, etc.) and which, when accepted by the contractor, becomes a binding contract. At no time will the aggregate total of a purchase order exceed the small purchase monetary limitations (minor purchasing activities are authorized a \$2,500 threshold and the Major Contracting Office is authorized a \$25,000 threshold). The Department of Defense Form 1155 (DD 1155) is the document used to establish a valid purchase order.

7. DELIVERY ORDER. A "delivery order" is an order for services or supplies placed against an existing commercial contract (General Services Administration (GSA), Indefinite Delivery-Type Contract (IDTC), requirements contract, etc.), or with government sources of supply (National Industry for the Blind, Federal Prison Industries (FPI), Department of Commerce, etc.). Minor Purchasing Activities are authorized a \$10,000 dollar threshold and the Major Contracting Office is authorized to place orders up to the Maximum Order Limitation (MOL) of existing schedules or requirements contracts.

8. IMPREST FUND. The "Imprest Fund" is a ready cash fund for Collect on Delivery (C.O.D.) payments. The cash fund is a fixed amount and is established through an advance of funds, without appropriation charge, from a Disbursing Officer to an authorized Imprest Fund Cashier. Purchases must be based on a Purchase Request Document (PRD) (NavCompt 2276, DD 1149, or approved form). No single purchase can exceed

\$500.00. Units must be authorized by the AC/S Comptroller, MARFORRES to hold this fund.

9. IMPAC VISA CARD. The "International Merchants Purchase Authorization Card (IMPAC)" is a VISA card issued by Rocky Mountain Bank via the General Services Administration (GSA) schedule. This program is administered by the MARFORRES Comptroller and the Contracting Officer. The credit card is being issued to replace the IMPREST fund.

10. BLANKET PURCHASE AGREEMENTS (BPA). A "BPA" is a simplified method of small purchase procurement. They are most akin to establishing a "charge account" with a qualified source of supply and are primarily used for fulfilling anticipated repetitive needs, e.g., electrical supplies, plumbing supplies, hardware, miscellaneous repair parts, etc. BPA's are designed to reduce administrative costs by eliminating the need for issuing individual purchase documents.

11. MODIFICATIONS. "Modifications" are written changes in terms of a contract. These changes are issued on Standard Form 30 (SF 30). There are two types of modifications, bilateral and unilateral.

a. A bilateral modification (supplemental agreement) is a contract modification that is signed by the contractor and the contracting officer. Bilateral modifications are used to:

(1) Make negotiated equitable adjustments resulting from the issuance of a change order;

(2) Definitize letter contracts; and

(3) Reflect the agreements of the parties modifying the terms of contracts.

b. A unilateral modification is a contract modification that is signed only by the contracting officer. Unilateral modifications are used, for example, to:

(1) Make administrative changes;

(2) Issue change orders;

(3) Make changes authorized by clauses other than a change clause (e.g., Property clause, Options clause, Suspension of Work clause, etc.); and

(4) Issue termination notices.

12. AMENDMENTS. "Amendments" are issued to make changes to an Invitation for Bids (IFB) in quantity, specifications, delivery schedules, opening dates, etc., or to correct a defective or ambiguous invitation using the Standard Form 30 (SF 30).

13. CONTRACTING OFFICER. The "Contracting Officer (KO)" is a person appointed by the Deputy Chief of Staff for Installations and Logistics, Headquarters, U.S. Marine Corps, with authority to enter into, administer and/or terminate contracts on behalf of the United States of America and to make related determinations and findings. The term includes those authorized to act as the Contracting Officer's representatives within the limits of their authority as delegated by the Contracting Officer. Currently, there is one Contracting Officer assigned to the MARFORRES, Headquartered at New Orleans. The KO must appoint in writing all other Contracting Officers within the MARFORRES. These Contracting Officers are delegated the Minor Contracting Authority of \$2,500 for purchase orders and \$10,000 for delivery orders. The appointment as a Minor Contracting (Purchasing) Officer will not take place until the individual, at a minimum, has attended the Defense Small Purchase Course (Small Purchase Fundamentals).

14. PURCHASING OFFICER. A "Purchasing Officer" is a person appointed, in writing by the Contracting Officer with open-market procurement authority up to \$2,500 and \$10,000 delivery order authority. Even though they are actually Contracting Officers, in this Manual we will use the term Purchasing Officer to establish the relationship to difference in actual dollar value threshold authority. A Purchasing Officers threshold is \$2,500 for purchase and \$10,000 delivery order authority. The procurement activities of site purchasing officers are under the direction of the MARFORRES Contracting Officer.

15. ORDERING OFFICER. An "Ordering Officer" is a person appointed by the Purchasing or Contracting Officer whose authority is limited to placing orders under existing contracts, such as Federal Supply Schedule contracts, indefinite delivery-type contracts, and blanket purchase agreements. Also known as "authorized caller" for BPA's.

16. CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR). The "COTR" is appointed in writing by the Contracting Officer to serve as a technical liaison between the contractor and the Contracting Officer. The COTR lends his technical expertise to the Contracting Officer in the drafting of specifications for a solicitation and during the evaluation and acceptance phase of a negotiated or firm fixed price contract. The COTR also monitors the performance of a contractor's service or product during the post-award phase of the contract and throughout the life of the contract, when required. The COTR does not have authority to enter into a contract, initiate contract amendments, or request performance from the contractor that is not specifically detailed in the basic contract. The parameters of the COTR's duties and responsibilities will be contained in his/her appointment letter.

17. PERSONAL SERVICES. "Personal services" are those which create an employer/employee relationship, such as a government employee supervising a contractor employee. No individual, other than the

Contracting Officer, possesses the authority to direct contractors in any way which could alter an obligation or change a statement of work. No person, including the Contracting Officer, may direct contractor employees in such a manner as to create an employer/employee relationship. The test of the relationship is surveillance, which is proper, as opposed to supervision, which is not.

18. FRAUD. "Fraud" is the attempt to defraud the government or corrupt its agents. Fraud also includes any willful means of taking or attempting to take unfair advantage of the government to include, but not limited to: making false statements, submission of false claims, use of false weights or measures, evasion or corruption of inspectors and other officials, deceit, adulteration or substitution of materials, falsification of records, arrangements for secret profits, kickbacks, or commissions.

19. IMPROPER CONDUCT. "Improper conduct" consists of those actions which either specifically undermines the public confidence, or result in a violation of the Department of Defense (DOD) standards of conduct. Actions by any government employee to unlawfully assume the authority of a warranted contracting officer, or to prevent a contracting officer from conducting government business, or to intervene in a contractual dispute on the part of a vendor is considered by its inherent willfulness to be a serious criminal violation, punishable under administrative and/or judicial proceedings. Commercial vendors are subject to DOD debarment proceedings.

20. GRATUITY. A "gratuity" is any gift, favor, entertainment, hospitality, transportation, loan, or any tangible item, and any intangible benefits (discounts, benefits, passes, etc.) given or extended to on behalf of DOD personnel, their immediate families, or households for which market value is not paid by the recipient or the U.S. Government.

21. UNAUTHORIZED COMMITMENT. An "unauthorized commitment" is the ordering and acceptance of supplies and services in advance of a legal contract. Such a commitment is an illegal act and does not obligate the government to pay for the items ordered, but a personal liability may be levied against the individual making the unauthorized commitment. MARFORRES personnel can avoid unwittingly violating Federal law by ensuring that only Contracting/Purchasing personnel and such other persons designated by the Contracting/Purchasing Officer negotiate and enter into contracts with commercial vendors.

22. DIVIDED (SPLITTING) REQUIREMENTS. Dividing a requirement is the act of dividing or "splitting" purchase requirements in order to circumvent the monetary limitations imposed for utilizing small purchase procedures or the limitations contained within individual Delivery Orders or Blanket Purchase Agreements (BPA). All similar requirements shall be combined (i.e., multiple requirements for hardware, electrical, and plumbing supplies, etc.) in such a manner



that the combined total on the purchase request document represents the aggregate requirement.

23. SOLE SOURCE JUSTIFICATION. "Sole source justification" is a written statement submitted by the requesting activity to the Purchasing/Contracting Branch outlining why a particular product or service must be procured without substitution in order to satisfy the minimum needs of the government.

24. BRAND NAME OR EQUAL. The term "brand name or equal" means a commercial product described by brand name and make or model number or other appropriate nomenclature by which such product is offered for sale to the public by the particular manufacturer, producer, or distributor. Where feasible, all known brand name products should be referenced in purchase request documents. When a "Brand Name or Equal" purchase description is used, prospective contractors must be given the opportunity to offer products other than those specifically referenced by brand name if the other products will meet the minimum needs of the government. Brand Name or Equal description shall only be used when certain specifications must be met and there are no adequate Federal or Military Specifications available. "Brand Name or Equal" purchase descriptions must include:

- a. Complete generic specifications of the item required;
- b. The model, make, and commercial catalog number and name for each brand name product requested; and
- c. Name of manufacturer, producer or distributor of each brand name product requested.

25. PROMPT PAYMENT DISCOUNTS. "Prompt payment discounts" are discounts offered by commercial suppliers to the government as an incentive to expedite processing of invoices for payment.

26. FEDERAL AND MILITARY SPECIFICATIONS. "Federal and military specifications" are those unclassified specifications and standards that are normally listed in the Department of Defense Index of Specifications and Standards or the Index of Federal Specifications and Standards. Federal and military specifications normally involve product technical requirements to include performance, construction, physical characteristics, terms of testing and acceptance, preservation, packaging, and marking requirements.

27. ACQUISITION PLANNING. "Acquisition planning" means the process by which the efforts of all personnel responsible for an acquisition are coordinated and integrated through a comprehensive plan for fulfilling the agency need in a timely manner and at a reasonable cost. It includes developing the overall strategy for managing the acquisition.

1003. APPLICABILITY

1. This Manual applies to all MARFORRES Contracting or Purchasing activities and shall be used as the basic regulation for carrying out the purchasing mission of the organization. In the event an apparent conflict is observed between instructions in this Manual and those contained in higher authority directives, the latter directives will be followed.

2. Subordinate MARFORRES units will not issue instructions, directives, regulations, contract clauses, or policies, which duplicate, are inconsistent with, or increase or restrict the use of any authority contained in the Federal Acquisition Regulation (FAR), Navy Contracting Directives (NCD), or the Marine Corps Purchasing Procedures Manual.

# SOP FOR PURCHASING AND CONTRACTING

## CHAPTER 2

### AUTHORITY AND RESPONSIBILITY

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## SOP FOR PURCHASING AND CONTRACTING

### CHAPTER 2

#### AUTHORITY AND RESPONSIBILITY

2000. AUTHORITY OF CONTRACTING OFFICERS. Contracting Officers derive their authority and responsibility from the Commandant of the Marine Corps and perform contracting responsibility pursuant to their appointment as Marine Corps Contracting officers.

2001. AUTHORITY OF THE MARFORRES CONTRACTING OFFICER. Headquarters, Commandant of the Marine Corps, Installations and Logistics (I&L) authorized the establishment of a Major Contracting Office at Headquarters, MARFORRES, New Orleans, LA. The Contracting Officer is appointed in writing by the Commandant of the Marine Corps. This authority cannot be delegated. The MARFORRES Contracting Officer is authorized to issue Purchase Orders up to \$25,000, Formal Contracts up to \$250,000, and Delivery Orders up to the Maximum Order Limitation (MOL) of existing schedules or requirements contracts.

2002. AUTHORITY OF MINOR CONTRACTING (PURCHASING) OFFICERS. MCO P4200.15 authorizes the establishment of Minor Purchasing Activities.

1. Site Commanders, Inspector-Instructors (I-I's), and Officer's in Charge (OIC's) no longer have authority to assume purchasing and contracting authority.

2. All Minor Contracting (Purchasing) Officers within the MARFORRES are appointed in writing by the MARFORRES Contracting Officer.

- a. Minor Contracting (Purchasing) Officers are authorized to issue Purchase orders up to \$2,500 and Delivery Orders up to \$10,000.

- b. MARFORRES activities located on or near a major DoD installation may attempt to obtain purchasing/disbursing support from that activity. A written request should be submitted requesting local support. If local support is available, the activity must send a written request to the MARFORRES Contracting Office for approval. If your unit has been approved to use another installation for purchasing and contracting, all purchasing actions must be reported using the format in paragraph 2005 and figure 2-1.

2003. RESPONSIBILITIES OF THE MARFORRES CONTRACTING OFFICER. The Contracting Officer is responsible for:

1. Providing training and technical assistance to individual site purchasing offices.

2. Providing liaison between MARFORRES and CMC (LB) on procurement matters.
3. Processing authorized purchase requests for MARFORRES wide non-system buys.
4. Processing all requests (after approval from CMC) for copying machines that exceed certain limitations as covered in MCO 5600.31G.
5. Processing all requests for ADPE equipment within the MARFORRES.
6. Processing non-system buys in excess of minor purchasing office authority (over \$2,500 for open market buys, over \$10,000 for Delivery Orders).

2004. RESPONSIBILITIES OF MINOR CONTRACTING (PURCHASING) OFFICERS.  
All Contracting/Purchasing Officers are responsible for:

1. The proper execution and administration of contracts and for safeguarding the interests of the United States in all contractual relationships.
2. Ensuring that all contracts, their amendments or modifications are properly signed by a Contracting/Purchasing Officer.
3. Exercising reasonable care, skill and judgment during the conduct of his duties as Purchasing Officer. He/she will abide by the Federal, Navy, and Marine Corps regulations that govern his/her actions.
4. Ensuring that the contract is authorized by law, that funds are available, and that the government or its property is not subject to any unusual or undue risk.
5. Ensuring that the contractor complies with all aspects of the contract.
6. The legal, technical, and administrative accuracy of the executed contracts. The Contracting/Purchasing Officer can turn to the Commandant of the Marine Corps (LB) for legal and administrative advice, and to the requisitioning activity, vendors, and other knowledgeable sources for technical advice. Requests for assistance from the Commandant of the Marine Corps (LB) shall be fielded through the MARFORRES Contracting Office.
7. Initiating any legal or administrative action necessary to assure contractor compliance with an established contract or to protect the government's interest.
8. Possessing a thorough knowledge and understanding of the scope and limitations of his authority.

9. Ensuring that files supporting all contract actions are thoroughly documented in accordance with current acquisition regulations.
10. Ensuring proper reporting is accomplished as per the format in paragraph 2005 of this Manual.

2005. RESPONSIBILITIES OF COMMANDERS. All Commanders are responsible for:

1. Citation of Funds. Commanders are responsible for the funds under their control and shall cite the applicable appropriation and accounting data on each purchase request. Each request shall show a realistic, estimated cost of the supplies or services and a commitment for this amount to cover the cost of the purchase. Commanders are further responsible for ensuring that funds cited are appropriate for the purpose; i.e., that the proper appropriation is cited, and that the requirement is a fulfillment of the intent of the respective appropriation. Questions concerning the appropriateness of using funds for a specific purpose should be addressed to the Fiscal Director of the Marine Corps (FDR).
2. Quantities. Commanders are responsible for ascertaining that all purchase requests reflect the actual needs of the organization and the minimum needs of the Government and that the items requested are required for performance of the command's mission.
3. Purchase Requests. Each request shall set forth the specific supplies and/or services to be purchased and the amount of a specific allotment(s) available. The request shall serve as the authority for a purchasing/contracting officer to initiate purchase action and for the preparation and execution of the necessary documents for establishing an obligation against the appropriation cited. Purchase action shall not be initiated prior to the receipt of a valid purchase request.
4. Division of Responsibilities. Acquisition requires that several discrete functions be performed sequentially. First, a requisition must be prepared and funding identified. Second, the purchase action must be performed. Third, goods or services must be received by an authorized Government official. Fourth, an invoice must be certified and forwarded for payment. While it is recognized that smaller units will not be able to assign separate personnel for each function, these duties must be separated to the maximum extent practicable, in order to preserve checks and balances needed to preclude fraud, waste, and abuse. In no event shall all of the above functions be performed by the same individual. Purchasing personnel shall not engage in any other function other than purchasing functions (i.e., fiscal, receiving, or invoicing/payment, requisitioning, etc.).

2006. REPORTING PROCEDURES. By the 25th of each month, the Minor Contracting (Purchasing) Officer will forward the Monthly Summary of Actions report to the Contracting Officer, MARFORRES. The report will be submitted in the format of Figure 2-1.

## SOP FOR PURCHASING AND CONTRACTING

### MONTHLY SUMMARY OF ACTIONS REPORT

<u>COMPETITIVE</u>	<u># OF ACTIONS</u>	<u>AMOUNT</u>
Large Business	?	\$
Small Business (Include A, B, AND C)	?	\$
A) Woman Owned	?	\$
B) Minority Owned	?	\$
C) SDB 8A (Small Disadvantaged Business)	?	\$
GSA Federal Supply Schedule	?	\$
<u>NON-COMPETITIVE</u>	<u># OF ACTIONS</u>	<u>AMOUNT</u>
Large Business	?	\$
Small Business (Include A, B, AND C)	?	\$
A) Woman Owned	?	\$
B) Minority Owned	?	\$
C) SDB 8A (Small Disadvantaged Business)	?	\$
GSA Federal Supply Schedule	?	\$

Figure 2-1.--Format for Monthly Summary of Actions Report.



# SOP FOR PURCHASING AND CONTRACTING

## CHAPTER 3

### DUTIES AND RESPONSIBILITIES OF PERSONNEL

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## SOP FOR PURCHASING AND CONTRACTING

### CHAPTER 3

#### DUTIES AND RESPONSIBILITIES OF PERSONNEL

3000. RESPONSIBILITY. Material or services purchased with appropriated funds must support the mission of the unit. Furthermore, material and services must fill a bona fide need in the fiscal year in which the material or services are requisitioned. Personnel initiating a requisition for material or services will ensure that the requirement meets the aforementioned standards.

3001. CITATION OF FUNDS. Personnel who authorize or approve purchase requests are responsible for the proper use of the funds. The applicable appropriation and accounting data shall be cited on each purchase request document. Each request shall show a realistic, estimated cost of the material or services and a commitment of this amount to cover the cost of the purchase.

3002. ESTIMATED COST ON PURCHASE REQUEST DOCUMENTS. The estimated cost shown on the purchase request document is the amount which has been set aside by the unit's requisitioning office to cover the purchase of the material or services. Responsibility for committing funds and the limitations of such funds are vested exclusively with the individual signing and authorizing the purchase request document. If the authorizing individual of a purchase request deems it necessary to restrict the purchase cost to the amount of the funds cited, the following restrictive statement shall be included on the purchase request:

"DO NOT EXCEED AMOUNT COMMITTED HEREON."

(or)

"DO NOT EXCEED AMOUNT COMMITTED HEREON BY MORE THAN \$ \_\_\_\_\_."

In the absence of a restrictive statement, the Contracting/Purchasing office is authorized to continue action on the purchase request, up to 10% above the amount of the cited funds, prior to obtaining a funds increase from the requesting activity. The procurement action will commence notwithstanding the fact that such action may exceed the amount cited on the request.

3003. QUANTITIES. Individuals authorizing a purchase request are responsible for ascertaining that all purchase request documents reflect the actual needs of the unit and that the material or services requested are necessary to accomplish the unit's mission.

3004. PURCHASE REQUEST DOCUMENTS. Individuals who sign or otherwise approve Purchase Requests are responsible for ensuring that each purchase request document sets forth the specific supplies or services to be purchased and the amount of available funds set aside. The request shall serve as the authority for the Purchasing/Contracting Officer to purchase the materials and/or services citing the appropriation data listed on the purchase request document.

3005. DIVIDED ("SPLIT") REQUIREMENTS. Individuals authorizing a purchase request shall not divide or split a requirement to circumvent monetary limitations established by law or regulation. This rule applies to the monetary limitations included in BPA'S, indefinite delivery-type contracts, the Imprest Fund, IMPAC Card buys, and other procurement methods.

3006. STANDARDS OF CONDUCT. Military personnel and civilian employees performing purchasing and contracting duties shall be indoctrinated annually regarding their responsibility to abide by ethical standards of conduct. The Contracting/Purchasing Officer is responsible for ensuring that all Purchasing personnel receive indoctrination training on schedule. Each individual will read and become thoroughly familiar with the current editions of SECNAVINST 5370.2, MCO 5370.3, and MCO P4200.15. Each individual shall sign a statement certifying that he/she has read and understands the standards of conduct (see Figure 3-1). The Contracting/Purchasing Officer shall maintain a file of completed verification statements.

3007. UNAUTHORIZED EXPENDITURES FROM APPROPRIATED FUNDS. All personnel who have the authority to initiate or approve purchase documents are responsible for the efficient use of their appropriated funds. Items may not be purchased solely to enhance the decor of work spaces or to facilitate the personal convenience or comfort of government employees, military or civilian.

1. The following examples are a limited number of items which are not authorized for purchase with appropriated funds:

- a. Coffee pots and related accessories.
- b. Holiday decorations for any purpose.
- c. Marine Corps Ball paraphernalia.
- d. Farewell plaques.

2. Minor Contracting (Purchasing) Officers should contact the MARFORRES Contracting Officer for clarification if a question arises as to whether or not an item(s) can be procured with appropriated funds.

**SOP FOR PURCHASING AND CONTRACTING**

\_\_\_\_\_  
DATE

TO WHOM IT MAY CONCERN

Subj: STANDARDS OF CONDUCT

Ref: (a) MCO P4200.15G, Chapter 4  
(b) SECNAVINST 5370.2H  
(c) MCO 5370.3H

1. I hereby certify that I have read references (a) through (c) and that I fully understand the standards of conduct I am to uphold while in the (Insert appropriate billet description and organization).

\_\_\_\_\_  
(Signature)  
(Typed name of individual)

Figure 3-1.--Format of Standards of Conduct Certification.

# SOP FOR PURCHASING AND CONTRACTING

## CHAPTER 4

### ACQUISITION PLANNING

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## SOP FOR PURCHASING AND CONTRACTING

### CHAPTER 4

#### ACQUISITION PLANNING

4000. POLICY. Office of Management and Budget has determined that end-of-year (last two months of fiscal year) obligations at a rate greater than 20% of a command's annual budget are inherently wasteful. To better manage financial and personal resources in compliance with Public Law 98-72, DOD Appropriations Act, and NavCompt Manual, Vol. 7. Appendix A, command planning for procurement lead time is required.

4001. ACQUISITION PLANNING. The procurement process formally begins with the preparation of a purchase request and its submission to the Contracting/Purchasing Officer. But, for effective contracting, planning for contractual action must start far in advance of this time. The fiscal, legal, and business aspects of contracting have to be considered even before the request is prepared, and planning must continue through the whole acquisition process. Discussion of contracting problems at an early stage can set the proper course for a procurement long before the request is submitted. Many unnecessary delays are caused by failure to effectively coordinate requirements with contracting personnel.

4002. PLANNING GUIDELINES. Commanding officers, OIC'S, and other fund administrators that anticipate large year-end buys must coordinate their open purchase requirements with the Contracting/Purchasing Officer's fiscal year close-out dates and their anticipated procurement lead time schedule. Initial acceptance of a purchase request by a Contracting/Purchasing Officer does not guarantee that the item(s) or service(s) can be bought in a timely manner, since latent technical deficiencies in the sole-source justification and/or specifications could result in the request being returned for revision. Like-item requirements from various customers shall be combined at the Contracting/Purchasing office for economical purchasing; consequently, dollar level thresholds may be exceeded without notice and could possibly delay procurement or delivery of such items.

4003. ANNUAL DEADLINES FOR MARFORRES SITES. Individual sites shall devise a comprehensive procurement plan with realistic cut-off dates to allow for procurement processing time before expirations of funds.

4004. ANNUAL DEADLINES FOR MARFORRES CONTRACTING OFFICE. The following deadline schedule will be used on an annual basis by the MARFORRES Major Contracting Office (see LOI for current fiscal year for details).

ROUTINE REQUESTFINAL ACCEPTANCE DATE  
AT CONTRACTING OFFICE

All buys in excess of \$25,000.

Delivered to the  
Contracting Officer with  
proper authority and  
review prior to the 1st  
day of April.

Routine buys less than \$25,000.

Submitted no later than  
15 August.

Emergency request (Priority 07)

Last working day in  
August.

**NOTE:** Item must be valued less than \$25,000 and hand-delivered to the Contracting Officer.

Walk-through request for Imprest Fund/IMPAC: Mid-September (15th)  
Less than \$2,500.

# SOP FOR PURCHASING AND CONTRACTING

## CHAPTER 5

### PURCHASE REQUEST DOCUMENTS

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### FIGURE

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## SOP FOR PURCHASING AND CONTRACTING

### CHAPTER 5

#### PURCHASE REQUEST DOCUMENTS

5000. GENERAL. The Purchase Request Document (PRD) provides information that clearly and completely describes the required services or supplies so that the Purchasing Branch may obtain accurate quotes from interested vendors. The PRD must also provide appropriation data and funding for the requested procurement. Incomplete or inaccurate PRD will be returned to the originator for appropriate action if the purchasing agent cannot obtain the data by phone. Errors not detected until after a contract award or actual delivery is made, and which result in the delivery and acceptance of items that are contractually correct, but do not adequately meet the Marine Corps' requirement(s), will result in the originator of the request bearing any additional expense for return and/or reprocurement.

5001. PREPARATION OF PURCHASE REQUEST DOCUMENTS. All PRD's shall be prepared using a NAVCOMPT 2276 (Request for Contractual Procurement), or the DD 1149 (Requisition and Invoice/Shipping Document), unless other forms have been previously approved by the Contracting Officer. Sample formats are shown in figures 4-1 and 4-2. All purchase request documents are to contain the following information:

1. Document Number. Multiple line purchase requests must contain a separate document number for each line item.
2. Stock Number. For each line item, insert the National Stock Number (NSN), when justified (see paragraph 4002), or a locally assigned stock number (LSN) issued by the Material Management Section (MMS), MARFORRES. (The LSN requirement is suspended for local procurement by Minor Contracting Activities and should only be used when contracting actions are being passed to the Contracting Office, MARFORRES.)
3. Unit of Issue. Enter the standard unit of issue (e.g., EA, PG, HD, RO, etc.).
4. Quantity. Enter the quantity.
5. Supplementary Address. Utilize the Reporting Unit Code (RUC) of the activity to receive and certify the contractor's invoice.
6. Priority. Insert the applicable priority designator.
7. Required Delivery Date (RDD). Insert the Julian Date for the date the item is required. Refer to the current edition of MCO P4400.15 for guidance.

8. Accounting and Appropriation Data. Locally assigned Accounting and Appropriation Codes (AAC's) must be utilized in conjunction with the job order number and the cost code assigned to the supporting fiscal cost center by the Assistant Chief of Staff, Comptroller. See the current version of ForO 7300.1 for guidance.

9. Funding. The dollar amount allotted for the purchase must be indicated in terms of unit price and total price. The estimated cost shown on the PRD is the amount which has been committed by the requesting activity to accomplish the purchase of the supplies or services. In the absence of a restrictive statement, the Contracting/Purchasing Officer is authorized to continue action on the purchase request, notwithstanding the fact that such action may exceed the amount cited (see paragraph 3002).

10. Purchase Description. A purchase description may be used in lieu of a specification where no applicable specification exists. An adequate purchase description is an aid to competition and, in the absence of competition, assists in determining the reasonableness of the price. Purchase descriptions must set forth all of the essential physical and functional characteristics of the materials or services required. The following characteristics are necessary to express the minimum requirements of the government in the preparation of a complete and accurate purchase description:

- a. Common noun nomenclature.
- b. Type of material, i.e., model, pattern, grade, etc.
- c. Electrical data, if required.
- d. Dimensions, size and/or capacity.
- e. Principles of operation.
- f. Restrictive environmental conditions.
- g. Intended use, to include:

(1) Location within an assembly.

(2) Essential operating conditions.

h. Associated equipment with which the item is to be used. A purchase description shall not be written so as to specify a product, or a particular feature of a product, peculiar to one manufacturer and thereby preclude consideration of a product manufactured by another company, unless it is determined that the particular feature is essential to the government's requirements and that similar products of other companies lacking the particular feature would not meet the minimum requirements.

11. Shipping and Packaging Instructions. Be sure to include any special shipping or packaging instructions necessary to be included in the purchase. This may include special ship-to addresses or the method in which the items need to be packaged for shipments. This is especially important when there are various ship to addresses or various sizes or quantities of items being purchased.

12. Recommended Source of Supply. Include the name and address of the recommended vendor for the services or supplies. Be sure to include the Point of Contact (POC) and telephone number for this vendor. This is especially helpful when issuing the order in case additional information is required.

13. Federal and Military specifications. Applicable federal and military specifications shall be utilized in purchase descriptions when available. Such specifications are expressed in generic, functional, and technical terms and are preferred over commercial descriptions.

a. These specifications are listed in the Department of Defense Index of Specifications and Standards (DODISS). Single copies of specifications may be obtained by submitting a written request to the supply point listed below. The request must contain the title of the specification, the number of the specification, and the date.

b. A telephone order entry system is available with the use of a touch tone telephone. A customer number is required to use this system and may be obtained by written request to the address listed above or by telephone at (215) 697-2179. The Telephone Order Entry System (TOES) number is (215) 697-1187 through and including (215) 697-1197. In case of urgency, telegraphic requests are acceptable.

c. Specifications may be obtained at the following address:

Standardization Document  
Order Desk, Building 4, Section D  
700 Robbins Avenue  
Philadelphia, PA 19111-5094

14. Brand Name Description. If a brand name product purchase description is specified, prospective vendors must be given the opportunity to offer products other than those specifically referenced by brand name if such other products will meet the needs of the government in essentially the same manner as those referenced. A "Brand Name or Equal" purchase description shall set forth those salient physical, functional, or other characteristics of the referenced products. The purchase description should contain the following information, to the maximum extent possible:

a. Complete common generic identification of the required item.

b. Applicable model, make, or catalog number for the brand name product referenced, and identity of the commercial catalog in which it appears.

c. Name of the manufacturer, producer, or distributor of each brand name product referenced, to include a complete company address and telephone number, if known.

15. Sole Source Description. In the event that only one company or manufacturer can meet the minimum requirement, which eliminates the government's ability to obtain competition, the customer will provide the complete justification as follows, certified by the Commanding Officer.

a. Detailed information as to why no other manufacturer's product or service is adequate to meet the government's requirement.

b. Action taken to make the determination that no other manufacturer's product was adequate, i.e., technical research and evaluations.

c. Evidence supporting an assertion that cited "requirements" are indeed "minimum" needs of the user.

d. Evidence supporting an assertion that a particular product or service must be delivered or performed by a certain date or in a certain time period. Vague statements of urgency or criticality are insufficient. Delivery or performance requirements which prohibit competition must be presented with information which sets forth adverse effects to the government if those requirements are not met in a timely manner.

16. Certification. All PRD's submitted to the Purchasing or Contracting Office must contain the following certification:

a. "Item(s) required is/are mission-essential and is not available in the Marine Corps Supply System" or;

b. "Item(s) is/are available in the Marine Corps Supply System but mission and urgency of need necessitate commercial procurement."

17. Authorized Signatures. The requestor, approving (funding) official, and Purchasing or Contracting Officer must sign the NAVCOMPT 2276 or DD 1149 to initiate a valid Purchase Request Document. Original Signatures must be obtained on these forms.

5002. TECHNICAL RESEARCH OF PURCHASE REQUEST DOCUMENTS. The use of the purchase request document for commercial open-market procurement does not alleviate the necessity for screening requirements for availability in the supply system.

1. Purchase requests for item(s) having an assigned National Stock Number (NSN) may be processed by the Purchasing/Contracting Officer under the following conditions:

a. Item(s) is/are not readily available through the supply system.

b. Item(s) is/are coded with an acquisition advice code for local procurement on the Management Data List (MDL).

2. Requirements for services are not required to be screened.

5003. PRIORITY UTILIZATION. The current edition of MCO 4400.16 provides instructions on assignment of urgency of need designators.

1. The assignment of "ASAP" (as soon as possible) is not considered a valid priority designator and will not be used.

2. Commanders are responsible for the accurate assignment of priority designators based on urgency or need.

3. Purchase request documents which contain priority designators of 07 or higher shall include an impact statement as to how or why the lack of the requested material is precluding accomplishment of the mission. Failure to include an impact statement may result in the document(s) being downgraded to a lower priority.

5004. PRIORITY WALK-THROUGH REQUIREMENTS. Walk-through requirements are those purchase request documents for supplies or services which have caused or will cause essential work or training to stop because of the lack of the required item(s).

1. A walk-through purchase request document is authorized only in those cases when it is clearly demonstrated that the lack of the required item(s) is adversely affecting the unit's ability to accomplish the specific mission; has a negative impact on health and welfare; or may cause further degradation of major systems and components if corrective action is not applied immediately.

2. Activities processing emergency requests should review internal command policies in addition to current Marine Corps supply directives regarding assignment of high priority designators prior to delivering the walk-through requirements to Purchasing/Contracting Office for action. All walk-through purchase request documents shall contain an impact statement that fully justifies the use of any high-priority designator, shall be signed by the appropriate commanding officer.

3. All walk-through purchase requests will be hand-carried to the Purchasing/Contracting Office and personnel processing walk-throughs will remain with the purchase request document until procurement

action is completed. Failure to remain with the document without prior contracting approval may negate the request for walk-through procedures.

5005. REJECTION OF REQUISITION. Any requisition received at the Purchasing/Contracting Office which does not contain the information required above will be returned to the customer without any action being taken. If the purchase request is assigned priority 07 or higher, the Purchasing/Contracting Officer will attempt to obtain the necessary data by phone, and the document will be returned only if the effort is unsuccessful.

# SOP FOR PURCHASING AND CONTRACTING

REQUEST FOR CONTRACTUAL PROCUREMENT—NAVCOMPT FORM 2276 (BPT) (REV. 8-81) S/N 01044F-702-2761 Page 1 of Pages

1. THIS REQUEST MUST BE ACCEPTED ON A DIRECT CITATION BASIS ONLY AND IS SUBJECT TO THE CONDITIONS LISTED ON THE REVERSE SIDE.										2. DOCUMENT NUMBER M26382-93	
3. REFERENCE NUMBER		4. FUNDS EXPIRE DATE		5. PRIORITY		6. DATE REQUIRED		7. AMENDMENT NO.			
		30 SEP 93		14		20 DEC 92					
8. FROM Purchasing Office via Property Control Office Marine Reserve Force, NOLA						10. FOR DETAILS CONTACT: SSgt V. Croux (504 941-4123) RO #					
11. TO: M68479 Purchasing Office Marine Reserve Force 4400 Dauphine Street New Orleans, LA 70146-3400						12. MAIL INVOICES TO: Property Control Office Marine Reserve Force 4400 Dauphine Street New Orleans, LA 70146					
13. ACCOUNTING DATA TO BE CITED ON RESULTING CONTRACTS											
A. ACCTG.	B. APPROPRIATION	C. SUB-HEAD	D. OBJ. CLASS	E. BU. CONTROL	F. SA	G. AAA	H. TT	I. PAA	J. COST CODE	K. AMOUNT	
AA	1731107	2710	000	67861	0	068479	2D			272.25	
				FIP: M		68479X	A				
14. AMOUNTS WILL NOT BE EXCEEDED IN THE OBLIGATION DOCUMENT WITHOUT PRIOR WRITTEN APPROVAL FROM THE ISSUER.								L. TOTAL THIS DOCUMENT		\$272.25	
								M. CUMULATIVE TOTAL		\$272.25	
15. PROCUREMENT BY CONTRACT OF THE FOLLOWING ITEMS IS REQUESTED THESE ITEMS <input type="checkbox"/> ARE <input checked="" type="checkbox"/> ARE NOT INCLUDED IN THE INTERSERVICE SUPPLY SUPPORT PROGRAM AND REQUIRED INTERSERVICE SCREENING <input checked="" type="checkbox"/> HAS <input type="checkbox"/> HAS NOT BEEN ACCOMPLISHED											
A. ACCTG.	B. ITEM NO.	C. SEC	D. DESCRIPTION (MAT. STOCK NO., SPEC. AND/OR DRAWING NO., ETC.)				E. QUANTITY	F. UNIT	G. ESTIMATED UNIT PRICE	H. ESTIMATED AMOUNT	
	1.		EXP-CAS-3503-1R Media 1-drawer cabl				1	EA	\$69.95	\$69.95	
	2.		MCA-666 Keyboard Drawer				1	EA	\$189.95	\$189.95	
	3.		MCA-6340 Cable Duck				1	EA	\$12.95	\$12.95	
JUSTIFICATION/IMPACT STATEMENT: Required to organize PC media and assets in the Purchasing Officer's office, organization of cabling required for safety reasons.											
Suggested Source: Forstall's 2035 Poydras St. New Orleans, LA 70112 504-524-6516; Paul Forstall											
RO SIGNATURE: _____											
Total cost shown under "AMOUNT" contains an estimated cost. This cost may be exceeded by \$ _____ / or _____ % without prior approval of this office.											
16. SEE ATTACHED PAGES FOR DELIVERY SCHEDULES, PRESERVATION AND PACKAGING INSTRUCTIONS SHIPPING INSTRUCTIONS AND INSTRUCTIONS FOR DISTRIBUTION OF CONTRACTS AND RELATED DOCUMENTS.											
17. TRANSPORTATION ALLIANCEMENT (Use if FOB Contractor's plant)											
18. I CERTIFY THAT THE FUNDS CITED ARE PROPERLY CHARGEABLE FOR ITEMS REQUESTED.						AUTHORIZING OFFICIAL (NAME, TITLE AND SIGNATURE) Fiscal Officer's Signature					
19. THIS REQUEST IS ACCEPTED AND THE ITEMS WILL BE PROVIDED IN ACCORDANCE HEREWITH						ACCEPTING OFFICIAL (NAME, TITLE AND SIGNATURE) Contracting Officer's Signature					

Figure 5-1.--Sample NAVCOMPT FORM 2276.





# SOP FOR PURCHASING AND CONTRACTING

## CHAPTER 6

### GENERAL ACQUISITION POLICIES

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# SOP FOR PURCHASING AND CONTRACTING

## CHAPTER 6

### GENERAL ACQUISITION POLICIES

6000. CONTRACTING ACQUISITION PLANNING ASSISTANCE. The MARFORRES Contracting Officer shall provide acquisition planning assistance to all requesting units directly supported by the MARFORRES Major Contracting Office.

1. Acquisition planning assistance will include, but is not limited to:

a. Providing access to Federal and Military Specifications (see paragraph 4001.11b).

b. Providing access to commercial catalogs and specifications.

c. Arranging for meetings with industrial representatives when necessary.

d. Arranging for demonstrations of commercial products or services when appropriate.

e. Obtaining catalog price lists and technical information when requested.

f. Providing orientation for personnel having responsibility connected with preparing purchase requests or participating in the development of requirement specifications.

2. Subordinate units may request acquisition planning assistance when necessary via the appropriate chain of command.

6001. COMMUNICATIONS WITH COMMERCIAL CONTRACTORS. The administration of Marine Corps procurement programs with commercial industry frequently requires oral or written communications with contractors by personnel of units supported by Purchasing/Contracting offices, the majority of whom have not been authorized to commit the government contractually. It is recognized that immediate action may be necessary in some cases to obtain needed supplies or services, to correct equipment deficiencies, or avoid work stoppages of a project. However, the need to provide prompt notice to a contractor does not justify the making of contractual commitments by other than authorized personnel. Such personnel participating in meetings, conferences, plant visits, or having any other communications with contractor representatives should advise the contractor(s) that:

1. They, as government representatives, have neither the authority nor the intention to enter into contracts or to change existing contract items.

2. No government representative other than a formally designated Purchasing/Contracting Officer is authorized to enter into a contract or solicit information for planning purposes.
3. Commercial contractors desiring to introduce new products/services or to advise units supported by the Purchasing/Contracting offices regarding future requirements must first contact the Purchasing/Contracting Officer, explain the purpose of their business on the base and obtain approval from the Purchasing/Contracting officer. The failure of prospective contractors to obtain such approval in conjunction with units supported by the Purchasing/Contracting office, may result in a violation of the Standards of Conduct.

6002. LOANS AND/OR DEMONSTRATIONS OF COMMERCIAL PRODUCTS. Units supported by a Purchasing/Contracting Branch desiring to test or evaluate commercial products and/or services will contact the Purchasing/Contracting Officer prior to requesting contractor assistance. The Purchasing/Contracting Officer will ensure timely arrangements are made for loans/demonstrations of the desired commercial products in all appropriate cases.

6003. UNAUTHORIZED COMMITMENTS

1. General Information. Title 31, U.S.C. 1501 requires that there be a binding agreement in writing before contracts may be recorded as an obligation against the government. FAR 1.602-1(b) and (c) provide that no contract shall be entered into unless all applicable requirements of law and regulations have been met. Thus, the ordering and acceptance of supplies and services in advance of a legal contract constitutes an illegal act and does not obligate the government for the items ordered, but may incur a personal liability of the individual who made the commitment.
2. Policy. Only Contracting Officers acting within the scope of their authority may enter into contracts on behalf of the government. Subject to the limitations and procedures prescribed in paragraphs 6003.3 through 5 of this Manual, certain Contracting Officers may ratify actions initiated or approved by officers or employees of the Department of the Navy who did not have authority to enter into contracts on behalf of the government, and which resulted in supplies delivered or services rendered to the government.
3. Limitations
  - a. Unauthorized commitments made to circumvent or evade the procurement statutes and regulations may not be ratified. The ratifying official must find that the commitment resulted from an urgent or emergency requirement or from a mistake of fact on the part of government personnel. The ratifying official must also find that

the contractor relied on the apparent authority of the officer or employee making the unauthorized commitment.

b. Ratification procedures shall not be used when the contractor has an adequate remedy of law for which the Contracts Disputes Act provides procedures for obtaining relief.

c. Ratification procedures shall not be used if the resulting contract would not otherwise be proper; for example, when funds were not available for obligation at the time the commitment was made, or when the government was otherwise precluded by law from procuring the supplies delivered or services rendered.

d. These procedures shall not be used unless the ratifying official determines that the price to be paid is fair and reasonable.

e. Ratification procedures shall not be used to authorize the payment of unallowable cost.

f. The ratifying official must be a Contracting Officer who had authority to enter into the contract at the time of ratification.

g. Unauthorized commitments may not be ratified when there is a genuine doubt concerning a question of law or fact (see NavCompt Manual, paragraph 046369).

4. Ratification Authority. The MARFORRES Contracting Officer has authority to ratify unauthorized commitments up to \$1,000. Actions which require ratification will be forwarded to the Eastern Area Office of Counsel (EACO) for legal review prior to ratification. All actions over \$1,000 must be forwarded to the Commandant of the Marine Corps (LB) via the Commander, Marine Forces Reserve (KO) and shall contain the information required by paragraph 6003.5. of this Manual.

#### 5. Procedures

a. The officer or employee making an unauthorized commitment shall forward to their commanding officer or general staff officer, as appropriate, all documentation concerning the transaction, which shall include as a minimum:

(1) A statement signed by the officer or employee describing the circumstances; why normal procurement procedures were not followed; what bona fide government requirement necessitated the commitment; whether any benefit was received; its value; and any other pertinent facts.

(2) All orders, invoices, or other documentary evidence of the transaction.

b. If the commanding officer or general staff officer concurs that the commitment should be ratified, then the commanding officer or

general staff officer shall forward the documentation described in paragraph 6003.5a, of this Manual, to the Contracting Officer with an endorsement that:

(1) Verifies the accuracy and completeness of the documentation.

(2) Describes the measures taken to prevent a recurrence of "unauthorized commitments".

(3) Provides a complete purchase description and funding for the ratifying contract.

c. The Contracting Officer shall:

(1) Review the documentation and endorsement provided.

(2) Ascertain whether there are any doubtful questions of fact.

(3) Prepare the findings and determination required by paragraph 6003.3, of this Manual.

(4) Prepare a recommendation to the ratifying official.

(5) Prepare appropriate contractual documents citing funds available at the time unauthorized actions of the government took place.

(6) Submit the contract and supporting documents to counsel for an opinion as to form, legality, and any additional pertinent comment or advice.

d. The ratifying official to whom authority has been delegated pursuant to paragraph 6003.4, of this Manual, shall:

(1) Review the file and, if ratification is proper,

(2) Make the appropriate findings and determinations; and

(3) Execute the appropriate contractual document.

6004. PRINTING SERVICES. Printing services shall be purchased in accordance with the instructions contained in the current edition of MCO P5600.31.

6005. PROCUREMENT OF FILING EQUIPMENT. All purchase requests for garrison filing equipment shall be purchased in accordance with the current edition MCO 5210.11 which outlines the office equipment management program.

6006. MAGAZINE SUBSCRIPTIONS. Magazine subscriptions will be procured in accordance with the instructions contained in MCO P5600.31G, paragraph 2414. Complete written justification is required to prove the mission-essentiality of the request. General statements such as "this publication is mission-essential" will not suffice. All requests must be forwarded via the MARFORRES Public Affairs Office (PAO) for approval.

6007. MUSICAL INSTRUMENTS AND ACCESSORIES. Musical instruments and accessories will be procured in accordance with the instructions contained in the current edition of MCO 4225.2.

6008. PROCUREMENT AND CONTROL OF GARRISON PROPERTY. All activities supported by a Purchasing/Contracting Office shall comply with the requirements in the current edition of ForO P4400.7 and have the following non-Table of Equipment items certified by the unit Property Control Officer prior to submission of purchase requests:

1. Space heaters, fans, air conditioners, and vacuum cleaners.
2. Lawn equipment and machinery.
3. Washers and dryers.
4. Office machines (typewriters, calculators, etc.).
5. Bottled water dispensers.
6. Furniture, carpets, and drapes.
7. Food service equipment.
8. Microcomputers and copiers costing less than \$5,000.
9. All other property with an estimated cost less than \$5,000.

6009. PROCUREMENT OF RUBBER STAMPS. All purchase requests for rubber stamps will be submitted to a Purchasing/Contracting office utilizing the following procedures:

1. Facsimile signature stamps shall be submitted using the NavCompt 2276 or DD 1149 multi-line format. One sample signature on 8-1/2" by 11" bond paper in black ink will be attached for each request. The current edition of SECNAVINST 5216.5 governs the authority and use of facsimile signature stamps.
2. Purchase requests for regular non-stocked rubber stamps shall also be submitted using the NavCompt 2276 or DD 1149 multi-line format.

One sample of the requested stamp shall be put on an 8-1/2" by 11" bond paper stating stamp type, style, size, and sample format.

6010. RELIGIOUS PROGRAM SUPPORT. Procedures for the procurement support of MARFORRES religious programs are contained in the current editions of MCO 1730.6.

6011. PAID ADVERTISEMENTS. Requests for paid advertisements must be approved by the Commandant of the Marine Corps in accordance with the FAR. Written authority must be attached to the purchase request prior to submission to a Purchasing/Contracting Office.

6012. ACQUISITION OF AUTOMATED DATA PROCESSING EQUIPMENT (ADPE). The acquisition of commercial equipment which has an inherent data processing capability or is designed to be applied to the solution or processing of problems or applications will not be initiated until all requirements established by the current edition of MCO P5231.1 have been met. Requisitions for End User Computing Equipment (EUCE) must be submitted to the Contracting Officer, MARFORRES via the Information Service Management Office (ISMO). The Contracting Office, MARFORRES has been delegated authority for procurement of ADPE by HQMC. This authorization can not be delegated further. Therefore, the Contracting Officer, MARFORRES must purchase all ADPE for MARFORRES Units.

6013. PROCUREMENT OF AWARDS AND TROPHIES. Requirements for awards, trophies, and other similar devices awarded in recognition of special accomplishments shall be procured in accordance with the current editions of MCO 4235.21 and SECNAVINST 3590.4.

6014. ATHLETIC AND RECREATIONAL CLOTHING AND EQUIPMENT. Athletic and recreational clothing and equipment shall be purchased in accordance with the instructions contained in the current edition of MCO P1710.17.

6015. TYPEWRITERS. Typewriters shall be purchased in accordance with the instructions contained in the current edition of MCO 10460.2.

# SOP FOR PURCHASING AND CONTRACTING

## CHAPTER 7

### IMPREST FUND/IMPAC CARD PROCEDURES

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## SOP FOR PURCHASING AND CONTRACTING

### CHAPTER 7

#### IMPREST FUND/IMPAC CARD PROCEDURES

7000. IMPREST FUND PROCEDURES. All imprest fund purchases shall be made based on an authorized purchase request document and shall be made only by personnel within a Purchasing or Contracting Office.

1. The imprest fund purchase method may be used when:
  - a. There is one delivery and one payment.
  - b. Total value does not exceed \$500.00.
  - c. Supplies or services are available within 30 days from the local trade area or C.O.D. from outside the local area.
  - d. The purchase does not require detailed technical specifications or technical inspection.
2. This fund must be authorized by the AC/S Comptroller, MARFORRES via the MARFORRES Contracting Office.

7100. INTERNATIONAL MERCHANTS PURCHASE AUTHORITY CARD. The International Merchants Purchase Authority (IMPAC) card is a VISA card issued by Rocky Mountain Bank. The following procedures shall be strictly adhered to when using the card for purchasing procedures.

#### 7101. MANAGEMENT

##### 1. CONTRACTING OFFICE

a. Administration Officer. This individual reviews and approves all activity nominations for cardholders and approving officials and determines procurement thresholds. Additionally, this individual is responsible for the overall execution of the bankcard program throughout the MARFORRES and includes the following:

- (1) Initiates all letters of appointment for the Approving Official and the Administration Officer's signature.
- (2) Reviews the monthly vendor usage reports.
- (3) Collects copies of cardholder's certificates for completion of the Defense Small Purchase course.
- (4) Performs the yearly evaluation of all bankcard holders and Approving Officials.

b. Contracting Officer's Technical Representative (COTR). This individual performs liaison with RMBCS and GSA as required. Also, this individual assumes the duties of the Disputes person in that person's absence and is responsible for the following:

(1) Completes all forms required for setup, change or termination of cardholders and Approving Officials.

(2) Initiates procedures for ensuring that all bankcards and statements due are received.

(3) Performs training for bankcard holders and Approving Officials within MARFORRES activities.

c. Disputes Person. This individual is responsible for the following:

(1) Maintains a master list of all cardholders and approving officials.

(2) Ensures that all cardholders and approving officials have current standard of conduct and procurement integrity forms on file.

(3) Reviews all daily, weekly, monthly and quarterly reports from the bank.

(4) Contacts the bank whenever there is a problem.

(5) Submits Cardholder Statement of Questioned Item forms and Notification of Invoice Deduction forms to bank as needed.

(6) Acts as focal point of contact for all questions and problems pertaining to the bankcard program within MARFORRES.

2. ACTIVITY'S FUND ADMINISTRATOR. Receives NAVCOMPT Form 2276 or DD Form 1149 on a daily basis from their activity's cardholders in order to obligate funds.

## 7102. APPOINTMENT PROCEDURES

1. APPROVING OFFICIALS. Approving officials are conscientious, responsible, competent individuals who are familiar with purchasing rules and regulations, who are in positions to make decisions, who have approval authority, and who are knowledgeable of the job responsibilities of their cardholders. These individuals are nominated by their activities and are appointed in writing by the MARFORRES Contracting Officer, hence known as the Administration Officer. An approving official should be the cardholder's supervisor or should be of equal or higher level rank or grade. Approving officials are the individuals who are ultimately responsible for all purchases made by their cardholders.

2. CARDHOLDERS. Cardholders shall be nominated by their supervisors in a letter to the Administration Officer for his/her approval using the format in figure 7-1. Upon approval, the individual will receive an IMPAC charge back manual and a statement of understanding (figure 7-2). The statement of understanding must be signed by the individual and returned to the Administration Officer or the Contracting Officer's Technical Representative (COTR). Training of cardholders must be conducted in accordance with paragraph 7108 of this Manual. The Administration Officer or the COTR then submits set-up forms to Rocky Mountain Bankcard System (RMBCS) and drafts appointment letters for the Administration Officer's or COTR's signature. A bankcard will be issued only to employees who are nominated by the Purchasing Officer at the Battalion/Squadron level and approved by the Administration Officer at MARFORRES. The bankcard dollar limitation, both per purchase and per month, will be as shown in your letter of appointment. Telephone orders and in store purchases are permitted.

3. ASSIGNED CARD. The unique VISA Card you receive from RMBCS is embossed with your name and I.M.P.A.C. No other person may use it. It is designed so it will not be confused with your personal credit cards. It should, however, be protected as you protect your own. In all respects this is considered a regular VISA Card. **THIS CARD SHALL NOT BE USED FOR PERSONAL PURCHASES!**

4. ASSIGNED CODES. Each activity (Approving Official) shall assign an alpha/numeric code for their call numbers. The first letter designates the activity (Company, Battalion, Det, etc.); the second letter designates the primary or secondary cardholder for that activity. Each activity shall then use a triple digit number for their call; i.e., M = Mike Battery; A = Primary cardholder; 001 call number. Total number = MA001. Once the cardholder places 999 calls a new code must be assigned by the Approving Official.

#### 7103. CONTRACTING RULES AND REGULATIONS

1. Per Federal Acquisition Regulation paragraph 13.103 and MCO 4200.15 paragraph 6003.2, a large buy shall not be split into smaller buys in order to use the bankcard. Specifically, this means that the cardholder shall not purchase several similar items from the same vendor within a short time frame with the total purchase price of the items, to include any shipping charge, exceeding the single purchase limit. These types of buys shall be forwarded through appropriate channels to the Purchasing Office at MARFORRES for processing.

2. Competition must be sought if the purchase price exceeds \$1000 or if it cannot be determined fair and reasonable.

3. The cardholder must rotate vendors to ensure that competition is maintained.

4. All buys shall be made from small business concerns.
5. Per ForO P4400.2, property items must be accounted for on the property control records. Each approving official is responsible for ensuring all property items purchased by his/her cardholders are reported to his/her garrison property Responsible Officer. This can be accomplished by forwarding a NAVCOMPT Form 2276 or DD Form 1149 (PRD) with the property item highlighted to the Responsible Officer. For additional information on accountability of property, contact the MARFORRES Property Control Office.
6. All bankcard files/records shall be maintained for a period of three years after final payment.

#### 7104. SPECIFIC BANKCARD RULES AND REGULATIONS

1. A single purchase may be comprised of multiple items but the total bankcard charge receipt shall not exceed the authorized single purchase limit, to include any shipping charges.
2. The bankcard may be used to purchase any item not specifically prohibited in paragraph 7103 of this Manual or in any other purchasing regulation.
3. The telephonic supplies purchased must be received within thirty (30) days. Over-the-counter purchases must be received immediately and taken with you. If the cardholder cannot take the item with him/her, the order must be placed by telephone call.
4. Only one payment per buy is authorized.
5. Partial orders shall not be accepted. However, one exception to this is that some companies require their vendors to drop ship items; in such cases an order may be delivered by several different vendors. Should a partial order be accepted for this reason, the cardholder must cancel the remaining items if not received within five (5) work days.
6. The cardholder shall not use his/her credit card to purchase any item for which he/she is the requiring agent unless the item is specifically authorized by the approving official.
7. Technical and Research (T&R) must be utilized to determine availability within the supply system before purchase.

7105. SALES TAX. At the time of purchase, you shall advise the merchant that the purchase is for official U.S. Government purposes and, therefore, is not subject to state or local sales tax. The face of your card indicates "US GOVT TAX EXEMPT" in embossed letters. However, if sales tax is charged on the cardholder's statement of

account, the cardholder must contact the vendor and request the sales tax be credited to his/her account. RMBCS will not perform this function.

7106. VENDOR AUTHORIZATION PROCESS. The vendor may use an electronic or telecommunication method for obtaining authorization on all purchases. Such authorization ensures that you are within your single purchase and monthly purchase limits as established in your letter of appointment. The authorization also verifies that the merchant is of the type permitted under the bankcard program.

7107. PERSONAL CREDIT CHECK. The cardholder will not receive any literature from RMBCS and a credit check of his/her personal credit history will not be obtained. No personal information shall be given to a vendor.

7108. TRAINING. All cardholders are required to register for or successfully complete the Defense Small Purchase Course by correspondence (which must be completed within six (6) months) or formal classroom training prior to receiving their letter of appointment and their credit card. For additional information on receiving the training, military personnel shall contact their unit's Training Officer (S-3) or the MARFORRES Contracting Office. Personnel not in the MOS 3044 series must submit a written justification from their supervisor along with their request for the course. Each cardholder and approving official shall be required to review this Manual and complete the certification of understanding form (see figure 7-2) prior to issuance of the letters of appointment and credit cards. Additionally, upon the automatic expiration/renewal of the credit cards, each cardholder and approving official shall be required to review the bankcard procedures described within this Manual.

7109. CARDHOLDER RESTRICTIONS. Use of the bankcard does not relieve the cardholder from prohibitions, controls or required authorizations that exist within the Department of the Navy or at the Government-wide level regarding the acquisition of certain types of supplies. Should a cardholder have any question regarding a buy, he/she shall contact the Contracting Office, MARFORRES.

7110. CARDHOLDER LIABILITY FOR UNAUTHORIZED COMMITMENT. Use of the bankcard by the cardholder for such things as exceeding the single purchase limit, exceeding the monthly limit, purchasing from a large business, purchasing an item on the prohibited list, splitting calls, not picking up statements, not submitting reports in a timely manner or any other disregard for the rules and regulations, will be considered by the MARFORRES Contracting Officer as infractions of

purchasing directions and shall be handled accordingly. Intentional use of this bankcard for other than official Government business shall be considered an attempt to commit fraud against the U.S. Government and may result in immediate cancellation of your card and disciplinary action as applicable under Navy or Government-wide administrative procedures. The cardholder shall be personally liable to the Government for the amount of any unauthorized purchase and possible subjection to a fine of not more than \$10,000 or imprisonment for not more than five (5) years or both under 18 U.S.C. SEC 287.

7111. LOST OR STOLEN CARD. If your card is lost or stolen you must notify your Approving Official, the COTR, the police, and RMBCS immediately. During normal business hours call RMBCS 1-800-525-3717, extension 3900. After business hours and on weekends call 1-800-525-5093. Your approving official will require information to complete a report, which shall be submitted within five (5) days to the Administration Officer. Give the approving official the card number, your complete name, the date the card was lost or stolen, the date reported to the police, the date RMBCS was notified, and purchases made on the day the card was lost or stolen. A new card will be issued to you within ten (10) days of when you report the loss or theft. The Federal Government as the cardholder may be responsible for the charges against this card should RMBCS not be notified at once of the loss of the card. You will be responsible for charges on a lost or stolen card if the above rules are not followed. This is the only time a cardholder will contact RMBCS.

7112. AUTOMATIC REISSUANCE OF BANKCARDS. During the month of February RMBCS will automatically reissue all cards designated by the Administration Officer. Upon receipt of these cards by the individual cardholder, each cardholder shall be required to notify his/her Approving Official; also, each cardholder and Approving Official shall have a current Fiscal Year Standards of Conduct form and a Procurement Integrity form forwarded to MARFORRES Contracting Office prior to resuming any purchasing by bankcard.

7113. REVOCATION OF AUTHORITY. The cardholder, prior to either terminating employment, retirement or transfer, shall submit a letter and return the credit card to the Contracting Office. In turn, the Contracting Office shall prepare a letter of revocation for the Administration Officer's signature. Termination of an Approving Official, for whatever reason, also requires a letter to the Contracting Office, which shall prepare a letter of revocation for the Administration Officer's signature. The Administration Officer may terminate a cardholder or may revoke an Approving Official's authority at any time, if improper deviations from this Manual or other related procurement regulations are violated.

7114. PROHIBITIONS. The Bankcard shall not be used for:

1. Rental or lease of motor vehicles, whether or not on official travel. (Rental or lease of motor vehicles to transport VIP's or during mission essential/emergency situations may be approved by the MARFORRES Contracting Officer. Written permission must be granted by the MARFORRES Contracting Officer prior to using the card for this purpose. Authorization must be requested for each occurrence.)
2. Rental or lease of land or buildings.
3. Purchase of airline, bus, boat or train tickets.
4. Purchase of meals, drinks or lodging. (When a Board and Lodging Agreement has been established, the card may be used to pay the invoice for the billeting of Reserve personnel during drill weekends.)
5. Purchase of gasoline or oil for vehicles.
6. Purchase of clothing or footwear, unless authorized to procure locally on the MHIF or FEDLOGS.
7. Purchase of supplies, furniture, appliances, and equipment available from mandatory (FPI, NIB, NISH, GSA) sources or through the supply system. **DO NOT PURCHASE ITEMS ON MANDATORY SCHEDULES FROM COMMERCIAL SOURCES.** These items can be purchased from the schedule and paid for with the credit card, but not "open purchased" from commercial sources. Contact the MARFORRES Contracting Office for sources if in doubt.
8. Cash advances through bank tellers or automated teller machines.
9. Purchase of supplies for resale.
10. Purchase of money orders.
11. Purchase of postal services. (The card is authorized for payment of Federal Express, when the use of Federal Express is authorized under current postal policies.)
12. Purchase of items from large businesses (i.e., Sears, Roses, K-Mart, Brendles, Lowes, Walmart, etc.) unless fully justified and documented why small business was not utilized for the purchase.
13. Purchase of Automated Data Processing Equipment (ADPE) as described in the Federal Information Resources Management Regulation (FIRMR).

**NOTE: PURCHASE OF ANY OF THE ABOVE ITEMS MAY RESULT IN THE ACTIVITY'S SUSPENSION FROM THE BANKCARD PROGRAM.**



7115. PROCEDURES FOR PURCHASING

1. A valid Purchase Request Document (PRD), NAVCOMPT Form 2276 or DD Form 1149, shall be in place before any purchase is made. The PRD must site the document number, availability of funds, description, quantity and authorized signature. The assignment of a priority/ UMMIPS designation will be per MCO 4400.16. A written Purchase Request Document is required. (Use Chapter 5 of this Manual).
2. Make sure that the items/services you are procuring are not in the supply system. Access the Master Header Information File (MHIF) or use CD-ROM FEDLOGS to check supply availability status or use your T&R section to determine availability.
3. Ascertain item is not on the prohibited list in accordance with paragraph 7113 of this Manual.
4. Select source of supply.
5. Establish a cardholder's log (manual or computerized) with all call numbers, document numbers, date called, vendor's name, item, and money spent. Remember, any purchase made but not yet invoiced for must be deducted from your monthly balance.
6. Keep track of the number of line items purchased as the computer at the Defense Accounting Office cannot assimilate more than 270 line items per statement.

7116. PROCEDURES FOR IN-STORE PURCHASES

1. No order may be placed without a document number for each order.
2. No order may be placed without a bankcard call number. This number should be placed on credit card form used by the vendor.
3. Cardholders shall present Government employee identification when using the Government Bankcard.
4. Cardholder shall inform the vendor that the Government is not charged a sales tax.
5. Cardholder shall sign the customer copy of receiving document indicating that he has received the item.
6. Purchases must be available for you, the cardholder, to personally take back to your work location.
7. Cardholder shall complete his/her purchase log upon return to the work location.

8. Someone other than the cardholder, the cardholder's immediate supervisor, or the cardholder's approving official shall inspect and accept the item by signing on the credit card receipt form.

7117. PROCEDURES FOR TELEPHONE PURCHASES

1. No order may be placed without a document number for each order. Place order with the vendor only if items are to be delivered to your unit address or local TMO.

2. No order may be placed without a bankcard call number. This number should be placed on credit card form.

3. Only authorized cardholders may make telephone purchases.

4. A detailed purchase log (a manual or an automated record system) shall be kept by each cardholder. This log will detail each telephone transaction indicating date of call, vendor, call number, document number, item(s) purchased, amount of purchase and remaining balance of monthly limit.

5. The cardholder shall inform vendor that no sales tax may be charged; cardholder is also to inform vendor of the document number (when shipping to unit or TMO), the bankcard call number, the bankcard number, the expiration date, the invoice address, and the cardholder's name. No personal information shall be given to the vendor.

6. Inform vendor that purchases must be received within 30 days and that there are to be no partial shipments and no partial payments. Stress that orders will be canceled if any of the above occur.

7. Stress to vendor that the invoice shall not be submitted to his bank for payment prior to date of shipping item. Confirm that the merchant agrees to this prior to placing order.

8. Advise the vendor that all shipments shall be accompanied by delivery tickets or sales slips which shall contain the following information:

- a. Name of supplier.
- b. Name of shipper if other than supplier.
- c. Bankcard number charged.
- d. Date of order.
- e. Bankcard call number.
- f. Date of shipment.

g. Itemized list of supplies furnished, including quantity, unit price, extension of each item, any applicable discounts and any shipping charges.

9. If the order is being picked up at the vendor's shop, the signature of the person picking up the order will be annotated on the customer copy of the receiving document. If the person picking up the order is someone other than the cardholder, "telephone purchase" must be written in the signature block of the credit card charge slip. The person picking up the order shall not sign in the signature block. The credit card charge slip shall be handcarried or mailed immediately to the cardholder who made the purchase.

10. If the order will be delivered to the ordering activity the item must be delivered to someone other than the cardholder, the cardholder's immediate supervisor or the approving official. The signature of the individual receipting for the item must be placed on the bankcard receipt/purchase document. The cardholder must be notified within one working day that the item has been received.

11. Cardholders should be aware of the cost of shipping charges for items purchased with the bankcard to ensure the total purchase price does not exceed the single purchase limit.

12. For additional information and guidance on the requirements of shipping items through TMO, contact your local Traffic Management Officer.

#### 7118. RECEIPT OF ITEMS

1. Should faulty, incorrect or damaged material be received by the activity, the cardholder is responsible for contacting the vendor to correct the matter in a timely manner.

2. As each item is received, the cardholder will annotate on the NAVCOMPT Form 2276/DD Form 1149 to indicate the date that the item ordered was received. At the end of each month, receipt dates and up-dated pending dates for all purchases must correspond with the report dates so that all reports will be accurate.

#### 7119. RECONCILIATION OF STATEMENTS

1. Approximately five to seven days after the close of each monthly billing cycle (21st of each month), the Approving Official will receive from RMBCS a "Business Account Summary" (see Figure 7-3) for each cardholder. Each cardholder will receive from RMBCS a "Statement of Account" (see Figure 7-4). These statements will normally itemize each transaction made using the bankcard during the prior month. Only cardholders having a balance due will receive a statement. Upon

receipt of the cardholder's statement, the following must be accomplished by the cardholder:

- a. Date stamp the statement.
  - b. Review the statement for accuracy and to ascertain that you have been billed only for items that you ordered.
  - c. Compare the statement with your records to be sure that you have been charged the correct amount and that the items have been received.
  - d. Annotate the call number, a brief description of the purchase, and identify any transportation costs by each line of the statement.
  - e. Certify the Statement of Account by signing the reverse side of the statement on the line designated for cardholder certification.
  - f. Each cardholder must forward the certified "Statement of Account" and the original bankcard sales draft (invoice from vendor) to their Approving Official WITHIN THREE (3) DAYS. Each cardholder must maintain a file copy of the certified "Statement of Account" and receipts for their records.
  - g. Statements of Accounts annotated "No Activity" are not to be forwarded.
  - h. Items not on this month's statement will appear on next month's statement in most instances. By signing this statement you are certifying that all items were purchased by you. If there are items which you have ordered and received but which have not appeared on the monthly statement, contact the vendor to ascertain whether or not he/she has submitted an invoice to the bank. Additionally, if you have not received a copy of a receipt document, you must contact the receiving activity.
2. If you will not be available to sign your Statement of Account because of leave or travel, compile all of your outstanding NAVCOMPT 2276/DD 1149 PRD's, attach all sales drafts and vendor invoices, and deliver the package through your supervisor to your Approving Official. The Approving Official will complete the steps upon obtaining the original statements, will attach a memo explaining the unavailability of the cardholder and will submit copies to the MARFORRES Comptroller. The cardholder should notify the Approving Official of the location where he/she will maintain all pertinent documents in case of emergency. Upon the cardholder's return to duty, he/she must sign the original statement and forward it to the MARFORRES Comptroller via the Approving Official. Should the cardholder not return to duty, only the Approving Official's signature will appear on the statement.

3. The approving official will date and sign the original statement. By doing so, he/she is certifying that the items purchased are for Government use, they were made in accordance with small purchase rules and regulations, and are not listed prohibited by paragraph 7113 of this Manual.

4. The Approving Official shall mail (via TWO DAY PRIORITY MAIL) the entire package (the original and one signed copy) of the Statement of Account to the MARFORRES Comptroller, (Code 8REA), within three (3) days for payment. STATEMENTS MUST ARRIVE AT THIS HEADQUARTERS BY THE 15TH OF THE MONTH. FAILURE TO SUBMIT PROPERLY ANNOTATED AND SIGNED STATEMENTS OF ACCOUNT TO THE MARFORRES COMPTROLLER BY THE 15TH OF THE MONTH OR FAILURE TO SUBMIT STATEMENTS OF QUESTIONED ITEMS TO THE COTR WHEN THERE IS A PROBLEM WITH THE STATEMENT, WILL RESULT IN SUSPENSION OF THE CARDHOLDER'S BANKCARD.

#### 7120. INCORRECT CHARGES

1. If you are charged for an item incorrectly or you are charged for a damaged item that was returned, provide a complete explanation of the error on the statement, contact the vendor to try and resolve the problem, and complete the "Cardholder Statement of Questioned Item" form (see Figure 7-5). The amount on the statement will be paid; RMBCS should issue a credit on a succeeding statement.

2. If you are charged for an item which has not been received, contact the vendor for shipping status and, if shipping is to occur within five (5) work days, the item will be paid for by the Defense Accounting Officer. If shipping is not to occur within five (5) work days, cancel the item, complete a "Cardholder's Statement of Questioned Item" form and your payment should be credited the following month.

3. If you are charged for an item which you definitely did not order, try to contact the vendor and have him/her submit a credit to the bank. Also, complete a "Cardholder Statement of Questioned Item" form (see figure 7-5) and forward with the statement of account. Payment for this item will be deducted from your statement by the MARFORRES Comptroller.

4. Remember, it is the cardholder's responsibility to attempt resolution of any problem with the vendor from whom he/she purchased the item and to obtain a credit from that vendor for any erroneous charges. It is always the cardholder's responsibility to resolve any problems with tax charges.

5. Remember to attach a postal receipt or some form with the vendor's signature to the "Cardholder's Statement of Questioned Item" whenever an item is returned to a vendor.

6. Whenever the cardholder contacts a vendor regarding a disputed charge, the cardholder must complete a "Cardholder's Statement of Questioned Item" and submit it to the Contracting Division for further submission to RMBCS.

7121. DISTRIBUTION. The following is a distribution list for various forms used in the IMPAC Visa card program:

<u>DEPARTMENT</u>	<u>REPORT TITLE</u>	<u>SEND TO</u>	<u>FILE COPY</u>
Cardholder	Business Account Summary	Approving Official	Maintain One Copy
	*NAVCOMPT 2276 or *DD 1149	Approving Official	Maintain One Copy
Approving Official	Statement of Account	MARFORRES Comptroller	Maintain One Copy
	NAVCOMPT 2276 or DD 1149	File	Original
Responsible Officer	*NAVCOMPT 2276 or *DD 1149	File	Maintain One Copy
MARFORRES Comptroller	Business Account Summary	DAO	Maintain One Copy
Disputes	Statement, NAVCOMPT 2276 or DD 1149 and adjustment forms	Where Necessary	If Problem

\* Copies must be forwarded to the garrison property Responsible Officer of your activity for non-expendable property over \$300.00.

**SOP FOR PURCHASING AND CONTRACTING**

4200  
ABC  
\_\_\_\_\_

From: Commanding Officer, \_\_\_\_\_  
To: Contracting Officer, MARFORRES

Subj: NOMINATION FOR IMPAC CARDHOLDERS

Ref: (a) ForO P4200.1

1. Per the reference, it is requested that the following individuals be appointed as IMPAC cardholders for this unit:

FIRST NAME	MI	LASTNAME	SSN	MOS
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____

2. The following information about the unit is provided:

UNIT	ADDRESS	WORK PHONE	APPROVING OFFICIAL
_____	_____	_____	_____
_____	_____		
_____	_____		

3. Point of contact is \_\_\_\_\_  
at COML: \_\_\_\_\_ DSN: \_\_\_\_\_.

I. M. COMMANDING

Figure 7-1.--Nomination for IMPAC Cardholder.

**SOP FOR PURCHASING AND CONTRACTING**

4200  
KO  
5 Jul 94

From: Contracting Officer, MARFORRES  
To: GySgt Ima G. Cardholder 123 45 6789/3043 3d Bn, 24th Marines  
Subj: STATEMENT OF UNDERSTANDING  
Ref: (a) ForO P4200.1  
Encl: (1) Rocky Mountain Bankcard System Chargeback Manual

1. Per the reference, and in receipt of enclosure (1) the below listed statement of understanding must be signed and returned to the MARFORRES Contracting Office, (KO) within 15 days of the date of this letter. Failure to comply will result in the immediate cancellation of the VISA account established in your name, (Cancellation of a cardholder will only affect that one particular cardholder. Cancellation of an Approving Official account will cancel every cardholder under his/her account.)

2. If, after reading the provided materials, questions arise concerning the IMPAC program contact either the MARFORRES Comptroller Resource, Evaluation, and Analysis (RE&A) section at COML: (504) 941-4025, 948-1957/8, DSN: 363 or the MARFORRES Contracting Office at COML: (504) 941-4123/4, DSN: 363.

L. E. STRICKLAND

-----

\_\_\_\_\_  
(DATE)

From: GySgt Ima G. Cardholder 123 45 6789/3043 3d Bn, 24th Marines  
To: Contracting Officer, MARFORRES

1. I have read and understand chapter 7 of reference (a), and the Rocky Mountain Bankcard System (RMBCS) Chargeback Manual. I understand the procedures I am to follow concerning the monthly Statement of Account. I understand that failure to comply with any of the rules and regulations governing this program will result in the suspension of my bankcard privileges.

\_\_\_\_\_  
(SIGNATURE)

Figure 7-2.--Statement of Understanding.



RMBCS R090 RROC 4716 CTR 4716  
JOB:PVSDIRD PGM:PVIO16

BUSINESS ACCOUNT SUMMARY  
SUB-ACCOUNT DETAIL REPORT

DATE 02/18/94 PAGE 4  
RUN: 02/18/94-23.51

LEVEL1: 4716 LEVEL2: 17 LEVEL3: 54 LEVEL4: 1107

CONTRACT# GS-OOF-4332A INVOICE# 175411070221

MASTER ACCOUNT NUMBER 4716-1754-0000-4187 LESLIE E STRICKLAND

HEADQUARTERS MARRESFOR  
4400 DAUPHINE ST  
CODE LPO  
NEW ORLEANS LA 70146-5040

SUB-ACCOUNT NUMBER 4716-1754-0000-4203 MONICA HOPPER  
CREDIT LIMIT \$300,000  
VEHICLE ID

Figure 7-3.--Business Account Summary.

PURCH DATE	PROC DATE	SRC	REFERENCE	MERCHANT NAME	MERCHANT LOCATION	AMOUNT
01-20-94	02-07-94	XV	24124004035999034717749	VERTEX ELECTRONICS INC	FARMINGDALE NY	375.00
01-21-94	01-24-94	XV	24301284022040221443332	DATA PAGES	DOVER NJ	481.00
01-21-94	01-24-94	XV	24301284022040221443373	DATA PAGES	DOVER NJ	139.00
01-21-94	01-24-94	XV	24301284022040221443399	DATA PAGES	DOVER NJ	975.00
01-24-94	01-28-94	XV	24124004027999026848130	VERTEX ELECTRONICS INC	FARMINGDALE NY	384.07
01-24-94	01-28-94	XV	74124004027999026848135	VERTEX ELECTRONICS INC	FARMINGDALE NY	375.00
01-28-94	01-31-94	XV	2423"904028980011734252	TURNKEY MATERIAL HANDL	TONAWANDA NY	425.27
01-31-94	02-02-94	XV	24418004032032027040008	PORTERS CAMERA ST 1	CEDAR FALLS IA	222.89
02-01-94	02-04-94	XV	24104004034523576-025900	HATL AUDIO VISUAL	E RUTHERFORD NJ	184.00
02-01-94	02-08-94	XV	24242004038902206085816	GLENDALE INDUSTRIES	NORTHVALE NJ	256.80
02-02-94	02-04-94	XV	24104004034523576025975	HATL AUDIO VISUAL	E RUTHERFORD NJ	225.00
02-04-94	02-08-94	XV	24635004038003508100109	FITNESS EXPO INC	METAIRIE L LA	289.00
02-08-94	02-10-94	XV	24751004040501649370428	PRODUCTIVITY PLUS IN	CHANDLER AZ	14.66
02-09-94	02-11-94	XV	24016004041081072130011	UPTOWN MUSIC	NEW ORLEANS LA	448.50
02-09-94	02-14-94	XV	24635004042004008000405	WERLEINS FOR MUSIC	METAIRIE L LA	458.28
02-10-94	02-11-94	XV	24616514041980030490676	VCR NETWORK	SAN DIEGO CA	111.00
02-18-94	02-18-94	SG	99999	TRF TO 4716175400004187		4,514.47-

SOP FOR PURCHASING AND CONTRACTING

## 7-19

# SOP FOR PURCHASING AND CONTRACTING

File Code: 3

## ROCKY MOUNTAIN BANKCARD SYSTEM ® I.M.P.A.C. ® PROGRAM CARDHOLDER STATEMENT OF QUESTIONED ITEM (Please print or type in black ink.)

CARDHOLDER NAME (please print or type)		ACCOUNT NUMBER	
CARDHOLDER SIGNATURE		DATE	(AREA CODE) TELEPHONE NUMBER
The transaction in question as shown on Statement of Account:			
Transaction Date	Reference Number	Merchant	Amount Statement Date

Please read carefully each of the following situations and check the one most appropriate to your particular dispute. If you have any questions, please contact us at 800/227-6736. We will be more than happy to advise you in this matter.

1. **UNAUTHORIZED MAIL OR PHONE ORDER**  
☐ I have not authorized this charge to my account. I have not ordered merchandise by phone or mail, or received any goods or services
2. **DUPLICATE PROCESSING - THE DATE OF THE FIRST TRANSACTION WAS** \_\_\_\_\_  
☐ The transaction listed above represents a multiple billing to my account. I only authorized one charge from this merchant for this amount. My card was in my possession at all times.
3. **MERCHANDISE OR SERVICE NOT RECEIVED IN THE AMOUNT OF \$** \_\_\_\_\_  
☐ My account has been charged for the above transaction, but I have not received the merchandise or service. I have contacted the merchant but the matter was not resolved. (Please provide a separate statement detailing the merchant contact, and the expected date to receive merchandise.)  
☐ My account has been charged for the above listed transaction. I have contacted this merchant on \_\_\_\_\_ (date) and canceled the order. I will refuse delivery should the merchandise still be received.
4. **MERCHANDISE RETURNED IN THE AMOUNT OF \$** \_\_\_\_\_  
☐ My account has been charged for the above listed transaction, but the merchandise has since been returned.  
 \*Enclosed is a copy of my postal or UPS receipt.\*
5. **CREDIT NOT RECEIVED**  
☐ I have received a credit voucher for the above listed charge, but it has not yet appeared on my account. A copy of the credit voucher is enclosed. (Please provide a copy of this voucher with this correspondence.)
6. **ALTERATION OF AMOUNT**  
☐ The amount of this charge has been altered since the time of purchase. Enclosed is a copy of my sales draft showing the amount for which I signed. The difference of amount is \$ \_\_\_\_\_.
7. **INADEQUATE DESCRIPTION/UNRECOGNIZED CHARGE**  
☐ I do not recognize this charge. Please supply a copy of the sales draft for my review. I understand that when a valid copy is sent to me, a Statement of Questioned Item Form must be provided and will include the copy of the sales draft if a further dispute exists. If a copy of the sales draft cannot be obtained, a credit will appear in my account.
8. **COPY REQUEST**  
☐ I recognize this charge, but need a copy of the sales draft for my records.
9. **SERVICES NOT RECEIVED**  
☐ I have been billed for this transaction, however, the merchant was unable to provide the services.  
☐ Paid for by another means. My card number was used to secure this purchase, however final payment was made by check, cash, another credit card, or purchase order. (Enclosed is my receipt, canceled check (front & back), copy of credit card statement, or applicable documentation demonstrating that payment was made by other means.)
10. **NOT AS DESCRIBED**  
☐ (Cardholder must specify what goods, services, or other things of value were received.) The item(s) specified do not conform to what was agreed upon with the merchant. (The cardholder must have attempted to return the merchandise and state so in their complaint.) \_\_\_\_\_
11. If none of the above reasons apply - please describe the situation: \_\_\_\_\_

(Note: Provide a complete description of the problem, attempted resolution and outstanding issues. Use a separate sheet of paper, if necessary, and sign your description statement.)

MAIL TO: I.M.P.A.C. Customer Service, P.O. Box 173309, Denver, Colorado 80217-9566

CSQI-RP44

Figure 7-5. --Cardholder Statement of Questioned Item Form.

# SOP FOR PURCHASING AND CONTRACTING

## CHAPTER 8

### BLANKET PURCHASE AGREEMENTS

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## SOP FOR PURCHASING AND CONTRACTING

### CHAPTER 8

#### BLANKET PURCHASE AGREEMENTS

8000. INFORMATION. The Blanket Purchase Agreement (BPA) method of effecting small purchases consists of establishing a "charge account" with qualified sources of supply to procure anticipated requirements of items of the same category, which are readily available. Such an agreement eliminates the necessity of issuing individual purchase orders for small requirements by allowing them to be placed by call (generally by telephone), or by informal memoranda when more convenient, using the BPA authority. Maximum use of BPAs is encouraged and recommended, when appropriate.

8001. CONDITIONS FOR USE. BPAs shall be used when there is a repetitive need for small quantities of supplies or services of closely related types, the supplies and services are available within 30 days (unless otherwise specified in the BPA's or by the government), and when use of the BPA method is administratively more economical than any other method. The Contracting/Purchasing Officer is responsible for determining whether a BPA will be established using the criteria listed above. Any billet/office administering appropriated funds (cost center administrator) can identify the need for a BPA in a letter to the Contracting/Purchasing Officer, stating the purpose and intent to buy certain repetitive needs and the impact upon her/his operations. The letter shall list the individuals recommended as Ordering Officers by name, rank, social security number, and sample signature. The Contracting/Purchasing officer will determine the most efficient way of processing the desired goods or services in a timely manner, and if appropriate, will award a BPA. The designated ordering officers will be appointed by the Contracting/Purchasing Officer to act as agents.

8002. LIMITATIONS. BPAs shall be used with the following limitations:

1. The name or names of authorized personnel who may place calls against the BPA and the dollar limitation per call for each person so designated will be cited on the Letter of Authorization which is issued by the Contracting/Purchasing Officer. No single call shall exceed \$2,500 at a Minor Contracting (Purchasing) Activity, and shall not exceed \$10,000 at the Major Contracting Activity.
2. Calls shall not be placed against BPAs which are no longer in effect.
3. Supplies shall not be purchased for stock or overhead.

4. When the contractor cannot deliver or perform in 30 days (or as specified by the BPA or the government), the call shall be canceled and all related documents and documentation will be forwarded to the Contracting/Purchasing Officer for action.

8003. BPA USAGE PROCEDURES

1. All BPA requirements shall be submitted to the using unit's BPA administrator using NAVCOMPT 2276, DD 1149, or an approved purchase request document with the appropriate authorizing signature(s).

2. Procurement by the BPA method does not alleviate the necessity for the screening of requirements against availability from regular supply channels. Therefore, prior to placing calls against the BPA, each requirement will be screened for availability from stock and for procurement for mandatory sources by the Supply Officer. Requirements for services are not required to be screened. Activities shall screen the local DSSC Catalog, GSA Catalog, and DOD Identification listings before forwarding a requisition for screening. Nonstock or non-mandatory requirements will be stamped and certified as such and returned to the activity for procurement against the BPA.

3. Similar requirements shall be consolidated for one purchase.

4. If the requirements exceed the monetary limitations of the authorized BPA caller, the requirement(s) and all supporting documentation shall be forwarded to the Major Contracting Office for action.

5. The authorized BPA caller will contact the contractor and place the call. Generally, the call will be made orally, except that informal correspondence may be used when ordering against agreements outside the local trade area. The administrator placing the call will identify himself/herself to the contractor and, after determining that the required supplies/services are available within the time required, will order the quantity required, record the cost per unit, time and place of delivery, and call number.

6. When activities have more than one BPA for similar commodities, the BPA caller shall equitably distribute calls among the qualified suppliers. The fairness and reasonableness of the price shall be the determining factor as to whether the buys will be rotated.

7. All calls shall be controlled by the organization administering the BPA. Documentation of calls shall be limited to essential information on the BPA worksheet.

8. The BPA call number shall be recorded on the authorized purchase request document (requisition).

9. Upon receipt/performance of the supplies/services, a delivery ticket/sales slip shall be signed by the individual receiving the material/service and the appropriate receipt document signed acknowledging receipt/completion of service.

10. The authorized BPA caller shall establish a method of following up on calls placed prior to their becoming delinquent. When notified by the contractor that the delivery will take more than 30 days, as specified in the BPA or by the government, the call will be canceled and all related documents and documentation will be forwarded to the Contracting Office immediately for action.

11. When supplies/services have not been delivered/performed within the required time, activities shall contact the contractor for delivery status. All communications with the contractor shall be documented in the BPA folder.

12. The delivery tickets/sales slips and receipt documentation shall be retained until a summary invoice (monthly statement) is received from the contractor. When the summary invoice is received, a comparison will be made between the delivery ticket/sales slips and the summary invoice. If the summary invoice is correct, it will be certified for payment and forwarded along with the delivery ticket/sales slip and the original of the certification to the Fund Administrator.

13. The fund administrator shall certify these documents and forward the delivery tickets/sales slips and summary invoice to the Disbursing Officer for payment.

8004. FAR CLAUSES. Mandatory FAR clauses relative to the Service Contract Act will be included in the award. These provisions and clauses shall be incorporated by reference to the maximum practical extent, rather than being incorporated in full text.

1. The following additional provisions and clauses shall be inserted in each BLA:

"Clauses Incorporated by Reference. The following Federal Acquisition Regulation (FAR) or DoD FAR Supplement clauses are incorporated in this agreement by reference with the same force and effect as is set forth in full text. Upon request, the contracting/purchasing officers will make their full text available. These clauses apply as appropriate in accordance with the "Notes" set forth below:

## SOP FOR PURCHASING AND CONTRACTING

<u>FAR/DFAR Ref.</u>	<u>Title</u>	<u>Date</u>	<u>Note</u>
FAR 52.233-1	Disputes	Apr 1984	1
FAR 52.222-40	Services Contract Act of 1965. (Contracts of \$2,500 or less)	May 1989	1
FAR 52.222-4	Contract Work Hours and Safety Standards Act--Overtime Compensation-General	May 1986	2&3
FAR 52.222-20	Walsh-Healey Public Contracts Act	Apr 1984 (Supplies only)	4
FAR 52.222-21	Certification of Non-Segregated Facilities	Apr 1984	4
FAR 52.222-35	Affirmative Action for Special Disabled and Vietnam ERA Veterans	Apr 1984	4
FAR 52.222-36	Affirmative Action for Handicapped Workers	Apr 1984	2&3
FAR 52.222-37	Employment Reports of Special Disabled Veterans and Veterans of the Vietnam Era	Jan 1988	4
FAR 52.222-41	Service Contract Act of 1965	May 1989 (Service only)	2&3

Notes for clause incorporated by reference as listed above. The clauses listed are automatically incorporated into this agreement in accordance with the following:

<u>Note No.</u>	<u>Comment</u>
1	Clause applies to this contract/ agreement and to any BLA call placed hereunder regardless of dollar value.
2	Clause applies to any contract/ BLA call in excess of \$2,500.



<u>Note No.</u>	<u>Comment</u>
3	Clause applies to this contract/ agreement when the cumulative total of calls placed hereunder exceeds \$2,500.
4	Clause applies to this contract/ agreement when the cumulative total of calls place hereunder exceeds \$10,000.

2. The full text of each clause cited in paragraph 9004.1, preceding, will be provided by the MARFORRES Contracting Office as required.

8005. PURCHASE REQUEST DOCUMENT. The purchase request document will be screened to ensure the inclusion of the following items:

1. An authorized signature.
2. Accounting information and estimated funds. The estimated cost shown on the requisition is the amount that has been committed by the cost center (BPA user) to cover the purchase of the requested supplies/services. If the amount of the call will exceed the total funds committed, an increase of funds must be received prior to placing the order.
3. Priority designator and required delivery date.
4. Clearance and approvals as required.
5. Adequate description of commodity, to include unit of issue and unit price.
6. All BPA requirements shall be submitted to the using unit's BPA administrator using NAVCOMPT 2276, DD 1149, or an approved purchase request document with the appropriate authorizing signature(s).

8006. PROCEDURES FOR UPDATING LETTER(S) OF AUTHORIZATION. Letter(s) of Authorization listing personnel authorized to place calls are issued by the Contracting/Purchasing Office. Calls placed by persons other than the individuals authorized are unauthorized commitments. It is the responsibility of the activity to initiate letters requesting the deletion and/or addition of personnel, as necessary. The following information shall be contained in the activity letter:

1. The unit requesting the changes.
2. A complete list of the BPAs requiring updating. (This list shall contain the BPA number and name of the contractor.)

3. A list of the BPA callers.
4. A list of the BPA callers which are to be deleted and/or added.

8007. PROCEDURES FOR COMPLETING THE BPA CALL LOG. After placing each BPA call, the BPA caller will place the necessary data on the BPA call log (figure 5-2). Required data is as follows:

1. Calendar date the call was placed, call number, estimated date of delivery, requisition number, description, person the call was placed with, total amount of the call, and signature of the BPA caller/buyer.
2. Call numbers are assigned to each unit by the Contracting/Purchasing Office in the BPA and shall be consecutive throughout the duration of the BPA.
3. The cumulative total is a running total of the amount of money actually spent. The cumulative total shall be reverted to a zero balance at the beginning of each fiscal year.

8008. PROCEDURES FOR RECEIVING MATERIAL. The individual receiving material shall sign the delivery ticket/invoice with individual's name, rank, and date the material was received. At this time, the material shall be inspected to ensure it complies with the requirements noted on the purchase request.

8009. REPORTS REQUIRED. The current edition of MCO P4200.15 and the Federal Acquisition Regulation (FAR) requires the reporting of all purchase actions and dollar amounts to higher headquarters. These BPA call actions must be included in the Monthly Summary of Actions Report (see paragraph 2005).

8010. FILE MAINTENANCE

1. The BPA folder shall be established and maintained as follows. Each BPA folder shall contain the following documents:
  - a. The activity's copy of the BPA.
  - b. All modifications/correspondence pertaining to that BPA.
  - c. Letters of Authorization for BPA callers.
  - d. BPA call log.
  - e. Purchase request document(s) for calls placed.
  - f. Delivery tickets/sales slips for each call placed.

- g. All waivers or special documents pertaining to the BPA.
- 2. The contractor's invoices, summary invoice and payment vouchers shall be destroyed three years after payment or receipt of material, whichever is later. In the event of BPA cancellation, the BPA shall be retained for three years after final payment.
- 3. See MCO P4200.15G, paragraph 6404.11 for distribution of BPA's.

8011. CONTROLS. Three-way control for all purchases must be established when possible. This means different personnel in each phase of the BPA action should perform a particular task.

1. Controls will be established by the head of the branch/section using the BPA to preclude the performance of any two of the following functions by the same person:

- a. Initiation of the requirement (purchase request document/requisition);
- b. Placement of call; and
- c. Receipt, inspection, and acceptance of the material.

2. If circumstances make the use of a three-way control impractical, the established control, as a minimum, will provide that the person placing the call shall not perform the function of receipt, inspection, and acceptance of the material.

8012. REVIEW OF BPAs. The Contracting/Purchasing Officer or his designated representative shall conduct a semiannual review of BPA's to assure that authorized procedures are being followed and purchases are being made in strict compliance with provisions of the current edition of MCO P4200.15 and the FAR. These reviews shall be conducted during March and September of each year. A statement that the review was conducted, and that the applicable instructions governing BPAs are being complied with, shall be maintained on file. The review will ensure that calls are distributed properly and regular supply channels are not circumvented. The checklist shown in figure 5-2 shall be used to conduct the BPA review.

8013. PROCEDURES FOR REQUESTING BLANKET PURCHASE AGREEMENT. Requests for BPA's shall be submitted on the cost center administrator/user's letter heading (BPA user) via the appropriate chain of command to the Contracting/Purchasing Office. Each request shall include, as a minimum, the following information:

- 1. An adequate description of the supplies or services.
- 2. Estimated annual usage.

3. Recommended source(s), if known.
4. Justification for requirement.
5. List of personnel to be assigned as authorized callers of the BPA at the unit level.
6. A point of contact/telephone number for the requesting unit.

8014. RESPONSIBILITIES. It is the responsibility of the BPA administrator to ensure proper compliance with the guidelines set forth in this Manual and with the references with which the BPA is established. Noncompliance with the subject references and instructions may result in the termination of BPA authority.

1. The BPA administrator shall ensure that each authorized BPA caller is thoroughly trained in the pertinent BPA procedures before actually administering call authority.
2. The BPA administrator shall ensure that all military personnel and civilian employees engaged in the placement of calls against BPAs are thoroughly indoctrinated on their individual responsibilities in adhering to the ethical standards of conduct. Upon assignment as a BPA administrator or authorized caller, and annually thereafter, every individual shall become familiar with the contents of the current edition of SECNAVINST 5370.2. After receiving indoctrination, each individual shall sign a statement certifying the same (see figure 3-1).
4. Each indoctrination shall be signed and dated by the individual and be retained on file until five years after the individual has ceased to serve as a BPA administrator or authorized caller.
5. The BPA administrator shall perform internal reviews to ensure compliance with BPA regulations by the BPA authorized caller(s).
6. The BPA administrator shall ensure timely payments are made to the contractor.

# SOP FOR PURCHASING AND CONTRACTING

ORDER FOR SUPPLIES OR SERVICES																			
(Contractor must submit four copies of invoice)																			
<div style="display: flex; justify-content: space-between;"> <div>Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0187), Washington, DC 20503. Please DO NOT RETURN your comments to either of these addresses. Send your completed form to the procurement official assigned in item 6.</div> <div> <div style="border: 1px solid black; padding: 2px;"> <div style="display: flex; justify-content: space-between;"> <div> <div>1 CONTRACT PURCH ORDER NO</div> <div>M68479-94-A-0001</div> </div> <div> <div>2 DELIVERY ORDER NO</div> <div></div> </div> </div> <div style="display: flex; justify-content: space-between;"> <div> <div>3 DATE OF ORDER</div> <div>28 OCT 93</div> </div> <div> <div>4 REQUISITION PURCH REQUEST NO</div> <div>AS ASSIGNED PER CALL</div> </div> </div> </div> <div> <div>5 CERTIFIED FOR NATIONAL DEFENSE UNDER DMS REG</div> <div> <div>6 ISSUED BY</div> <div>CONTRACTING OFFICE</div> <div>MARINE RESERVE FORCE</div> <div>4400 DAUPHINE STREET</div> <div>NEW ORLEANS, LA 70146-5400</div> </div> <div> <div>7 ADMINISTERED BY (if other than 6)</div> <div>SSGT CHERRY</div> <div>(504)941-4124</div> </div> <div> <div>8 DELIVERY FOB</div> <div>SAME AS BLOCK #6</div> </div> </div> </div> </div> <tr> <td colspan="10"> <div style="display: flex; justify-content: space-between;"> <div> <div>9 CONTRACTOR</div> <div>MARTI'S ALTERATION</div> <div>439-A TERRY PARKWAY</div> <div>GRETN, LA 70056</div> </div> <div> <div>10 DELIVER TO FOB POINT BY (date)</div> <div>AS PER CALL</div> </div> <div> <div>11 MARK IF BUSINESS IS</div> <div><input checked="" type="checkbox"/> SMALL</div> <div><input type="checkbox"/> SMALL DISADVANTAGED</div> <div><input type="checkbox"/> WOMEN-OWNED</div> </div> </div> </td></tr>										<div style="display: flex; justify-content: space-between;"> <div> <div>9 CONTRACTOR</div> <div>MARTI'S ALTERATION</div> <div>439-A TERRY PARKWAY</div> <div>GRETN, LA 70056</div> </div> <div> <div>10 DELIVER TO FOB POINT BY (date)</div> <div>AS PER CALL</div> </div> <div> <div>11 MARK IF BUSINESS IS</div> <div><input checked="" type="checkbox"/> SMALL</div> <div><input type="checkbox"/> SMALL DISADVANTAGED</div> <div><input type="checkbox"/> WOMEN-OWNED</div> </div> </div>									
<div style="display: flex; justify-content: space-between;"> <div> <div>9 CONTRACTOR</div> <div>MARTI'S ALTERATION</div> <div>439-A TERRY PARKWAY</div> <div>GRETN, LA 70056</div> </div> <div> <div>10 DELIVER TO FOB POINT BY (date)</div> <div>AS PER CALL</div> </div> <div> <div>11 MARK IF BUSINESS IS</div> <div><input checked="" type="checkbox"/> SMALL</div> <div><input type="checkbox"/> SMALL DISADVANTAGED</div> <div><input type="checkbox"/> WOMEN-OWNED</div> </div> </div>																			

# SOP FOR PURCHASING AND CONTRACTING

CONTINUATION SHEET		REFERENCE NO. OF DOCUMENT BEING CONTINUED	PAGE	OF
		M68479-94-A-0001	2	4
NAME OF OFFEROR OR CONTRACTOR				
MARTI'S ALTERATION				
ITEM NO.	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE
	<p align="center"><u>TERMS AND CONDITIONS</u></p> <p>DESCRIPTION OF AGREEMENT: THIS IS A BLANKET PURCHASE AGREEMENT (BPA) FOR ALL SUPPLIES AND SERVICES NORMALLY PROVIDED BY THE CONTRACTOR TO THE PUBLIC. SUCH SUPPLIES AND SERVICES WILL BE FURNISHED BY THE CONTRACTOR WHEN REQUESTED BY THE CONTRACTING OFFICER OR HIS DESIGNATED REPRESENTATIVE. THE PERIOD OF THIS AGREEMENT WILL BE INDEFINITE AND SHALL BE REVIEWED ANNUALLY BY THE CONTRACTING OFFICER. THE GOVERNMENT RESERVES THE RIGHT TO REVOKE THIS AGREEMENT, IN WRITING, AT ANY TIME. THE GOVERNMENT IS OBLIGATED UNDER THIS BPA ONLY TO THE EXTENT OF AUTHORIZED CALLS ACTUALLY PLACED AGAINST THIS AGREEMENT BY THOSE INDIVIDUALS DESIGNATED IN THE AGREEMENT.</p> <p>PRICING: THE PRICES TO THE GOVERNMENT FOR ALL PURCHASES MADE UNDER THIS AGREEMENT SHALL BE AS LOW AS, OR LOWER THAN, THOSE CHARGED TO THE CONTRACTOR'S MOST FAVORED CUSTOMER UNDER SIMILAR CIRCUMSTANCES IN ADDITION TO ANY DISCOUNTS FOR PROMPT PAYMENT. PRICES ARE TO BE QUOTED F.O.B. DESTINATION IN ACCORDANCE WITH FAR 52.247-34, PAGE 4 OF 4 OF THIS AGREEMENT.</p> <p>CALL LIMITATION: NO CALL PLACED UNDER THIS AGREEMENT SHALL EXCEED \$25,000.00. IN ADDITION, NO CALL IN EXCESS OF THE DOLLAR AMOUNT AUTHORIZED AN INDIVIDUAL SHALL BE MADE BY THE INDIVIDUAL OR HONORED BY THE CONTRACTOR.</p> <p>INDIVIDUALS AUTHORIZED TO PLACE CALLS AND DOLLAR LIMITATIONS: A LIST OF AUTHORIZED INDIVIDUALS IDENTIFIED BY ORGANIZATION AND THEIR DOLLAR LIMITATIONS WILL BE PROVIDED TO THE CONTRACTOR UNDER SEPARATE COVER BY THE CONTRACTING OFFICER, AS WILL ANY CHANGES.</p> <p>DELIVERY TICKETS: ALL SHIPMENTS UNDER THIS AGREEMENT SHALL BE ACCOMPANIED WITH DELIVERY TICKETS, OR SALES SLIPS, IN TRIPPLICATES WHICH SHALL CONTAIN THE FOLLOWING MINIMUM INFORMATION:</p> <ol style="list-style-type: none"> <li>NAME OF CONTRACTOR</li> <li>BLANKET PURCHASE AGREEMENT NUMBER</li> <li>DATE OF CALL</li> <li>CALL NUMBER</li> <li>ITEMIZED LIST OF SUPPLIES FURNISHED</li> <li>QUANTITY, UNIT PRICE, AND EXTENSION OF EACH ITEM, LESS APPLICABLE DISCOUNTS AND TOTAL DOLLAR AMOUNT FOR EACH CALL.</li> <li>DATE OF DELIVERY OR SHIPMENT.</li> <li>NAME OF INDIVIDUAL WHO PLACED THE CALL.</li> </ol> <p>UPON DELIVERY, THE RECEIVING ACTIVITY WILL RETAIN ONE COPY OF THE RELATED DELIVERY TICKET AND WILL SIGN THE OTHER TWO COPIES AND RETURN THEM TO THE SUPPLIER OR HIS AGENT. ONE OF THESE SIGNED DELIVERY TICKETS SHALL BE SENT BY THE CONTRACTOR WITH HIS MONTHLY SUMMARY INVOICES.</p> <p>DELIVERY: DELIVERY SCHEDULES SHALL BE MUTUALLY AGREED UPON BETWEEN THE CONTRACTOR AND THE GOVERNMENT AT THE TIME OF THE ORDER. THE DELIVERY POINT WILL BE SPECIFIED BY THE GOVERNMENT AT THE TIME THE CALL IS PLACED.</p>			

Figure 8-1.--Sample DD Form 1155 (BPA) (Continued).

# SOP FOR PURCHASING AND CONTRACTING

CONTINUATION SHEET		REFERENCE NO OF DOCUMENT BEING CONTINUED	PAGE
		M68479-94-A-0001	3 of 4
NAME OF OFFEROR OR CONTRACTOR			
MARTI'S ALTERATION			
ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT PRICE
	Expedited Delivery at no cost to the Government is requested.		
	THE FOLLOWING IS FOR DELIVERIES AS DIRECTED BY THE BPA CALLER		
	Deliveries will be accepted during working hours; i.e., weekdays 8:00 A.M. to 3:00 P.M. No deliveries on Saturdays, Sundays, or legal holidays. Trucks should arrive in sufficient time to be unloaded during the hours specified. TRUCK DELIVERIES WILL BE EFFECTED THROUGH GATE 5.		
	* SUMMARY INVOICE *		
	A summary invoice consisting of an original and 3 copies, shall be submitted at least monthly or upon expiration of this BPA, whichever occurs first, for all deliveries made during a billing period, identifying the delivery tickets covered therein, stating their total dollar value, and supported by receipted copies of the delivery tickets. The words "Summary Invoice" shall be on the original.		
	PACKAGING AND PACKING		
	To be in accordance with manufacturer's standard commercial practice, ensure acceptance by common or other carrier for safe transportation at lowest rate to point of delivery.		
	CORRESPONDENCE AND INQUIRIES		
	Please direct any correspondence pertaining to this order to:		
	CONTRACTING OFFICE MARINE RESERVE FORCE 4400 DAUPHINE STREET NEW ORLEANS, LA 70146-5400		
	DELIVERY OF EXCESS QUANTITIES (SEP 1989)		
	The contractor is responsible for the delivery of each item quantity within allowable variations, if any. If the contractor delivers and the Government receives quantities of any item in excess of the quantity called for (after considering any allowable variation in quantity), such excess quantities will be treated as being delivered for the convenience of the contractor. The Government may retain such excess quantities up to \$250 in value without compensating the contractor therefor, and the contractor waives all right, title, or interests therein. Quantities in excess of \$250 will, at the option of the Government, either be returned at the contractor's expense or retained and paid for by the Government at the contract unit price.		

Figure 8-1.--Sample DD Form 1155 (BPA) (Continued).

# SOP FOR PURCHASING AND CONTRACTING

BPA #

[illegible]

Figure 8-2. --Sample BPA Call Log.



## SOP FOR PURCHASING AND CONTRACTING

### SEMIANNUAL REVIEW OF BLANKET PURCHASE AGREEMENT

BPA # M \_\_\_\_\_-- \_\_\_\_\_

Period Covered \_\_\_\_\_

Call Numbers Reviewed \_\_\_\_\_

<u>ITEM OF REVIEW</u>	<u>YES</u>	<u>NO</u>
1. Are calls being placed by authorized individuals?	_____	_____
2. Are calls within monetary limitations?	_____	_____
3. Is the file properly documented and maintained?	_____	_____
4. Are there authorized purchase requests for each call?	_____	_____
5. Are supply channels being screened prior to call being placed (except where not required)?	_____	_____
6. Are calls being rotated?	_____	_____
7. Is there a Standard of Conduct on file for all authorized callers?	_____	_____
8. Are items received in stated delivery time or is there documentation as to follow-up action?	_____	_____
9. Are requirements being split to avoid monetary limits?	_____	_____
10. Are payments being processed properly and promptly?	_____	_____
11. Are assigned call numbers being used?	_____	_____
12. Are all required documents in the folder by number?	_____	_____
13. Are up to date lists of individuals authorized to place calls on file for each BPA?	_____	_____
14. Are the items ordered, receipted for, and the invoice certified for payment by different individuals (three-way control if possible)?	_____	_____
15. Are any BPA's showing little or no usage?	_____	_____
-----		
16. Remarks		

SIGNATURE \_\_\_\_\_

DATE \_\_\_\_\_

Figure 8-3.--Format for Semiannual BPA Review.

# SOP FOR PURCHASING AND CONTRACTING

## CHAPTER 9

### BOARD AND LODGING AGREEMENTS

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## SOP FOR PURCHASING AND CONTRACTING

### CHAPTER 9

#### BOARD AND LODGING AGREEMENTS

9000. INFORMATION. The Board and Lodging Agreement (BLA) method of effecting small purchases for catering of meals/lodging of reservists consists of establishing a "charge account" with qualified sources to meet anticipated requirements. Such an agreement eliminates the necessity of issuing individual purchase orders for small requirements by allowing them to be placed by call (generally by telephone), or by informal memoranda when more convenient, using the BLA authority. Maximum use of BLAs are encouraged and recommended, when appropriate.

9001. CONDITIONS FOR USE. BLAs shall be used when there is a repetitive need for boarding or lodging of reservists. The current editions of MCO 11000R.20 and MCO 11000.18A shall be used to evaluate criteria for usage of BLAs. The BLA method is administratively more economical than any other purchase method. The Contracting/Purchasing Officer is responsible for determining whether a BLA will be established. Any billet/office administering appropriated funds (cost center administrator) can identify the need for a BLA in a letter to the Contracting/Purchasing Officer, stating the purpose and intent for boarding or lodging of reservists, the repetitive needs, and the impact upon her/his operations. The Contracting/Purchasing officer will determine the most efficient way of processing the desired lodging or catering of meals in a timely manner, and if appropriate, will award a BLA. The designated authorized callers will be appointed by the Contracting/Purchasing Officer to act as agents.

9002. LIMITATIONS. BLAs shall be used with the following limitations:

1. The name or names of authorized personnel who may place calls against the BLA and the dollar limitation per call for each person so designated will be cited on the Letter of Authorization which is issued by the Contracting/Purchasing Officer. No single call shall exceed \$2,500 at a Minor Contracting (Purchasing) Activity, and shall not exceed \$10,000 at the Major Contracting Activity.
2. Calls shall not be placed against BLAs no longer in effect.

9003. SOLICITING QUOTATIONS

1. Quotations shall be competitively solicited from responsible sources of supply by utilizing DD Form 1155 or SF 18. In addition to the information required by DD Form 1155, the following specifications can be used, subject to change to meet local conditions:

"Lodging shall be that as selected by the officer in charge, (address of the activity), and shall be kept in a clean and sanitary manner. Clean linen shall be placed on each bed for each occupant. Occupants shall have access to washrooms, toilets, baths, and lounges. Lodging is to be furnished in such quantities and at such times as designated by the officer in charge for the period beginning \_\_\_\_\_ and ending \_\_\_\_\_. BREAKFAST shall consist of fruit and cereal; two eggs or bacon and eggs; rolls, bread, or toast; butter; tea; coffee, or milk; and sugar. LUNCH shall consist of meat; potatoes, one vegetable or salad; bread; butter; tea, coffee, or milk; and sugar. BOX LUNCH shall consist of three sandwiches, cake or pie, appetizer, fresh fruit and carton of milk and shall be put up in a neat compact form for carrying. DINNER shall consist of meat or fish; two vegetables; rolls or bread; butter; tea, coffee, or milk; sugar; and dessert."

2. The monetary limitation of board and lodging agreements shall be the same as those for BPAs. When the total aggregate amount of all calls placed under the agreement is expected to exceed \$1,000 in any fiscal year, competition will be required only when the board and lodging agreement is initially established.

3. Due care shall be exercised by units in the number of agreements placed in effect at any one time. When more than one BLA is established, the call placement shall be placed on a rotating basis.

9004. EVALUATING QUOTATIONS. Quotations shall be evaluated and award made in accordance with the instructions contained in paragraph 10004.

9005. FAR CLAUSES. Mandatory FAR clauses relative to the Service Contract Act will be included in the award. These provisions and clauses shall be incorporated by reference to the maximum practical extent, rather than being incorporated in full text.

1. The following additional provisions and clauses shall be inserted in each BLA:

"Clauses Incorporated by Reference. The following Federal Acquisition Regulation (FAR) or DoD FAR Supplement clauses are incorporated in this agreement by reference with the same force and effect as is set forth in full text. Upon request, the contracting/purchasing officers will make their full text available. These clauses apply as appropriate in accordance with the "Notes" set forth below:

<u>FAR/DFAR Ref.</u>	<u>Title</u>	<u>Date</u>	<u>Note</u>
FAR 52.233-1	Disputes	Apr 1984	1

## SOP FOR PURCHASING AND CONTRACTING

9005

<u>FAR/DFAR Ref.</u>	<u>Title</u>	<u>Date</u>	<u>Note</u>
FAR 52.222-40	Services Contract Act of 1965. (Contracts of \$2,500 or less)	May 1989	1
FAR 52.222-4	Contract Work Hours and Safety Standards Act--Overtime Compensation-General	May 1986	2&3
FAR 52.222-20	Walsh-Healey Public Contracts Act	Apr 1984 (Supplies only)	4
FAR 52.222-21	Certification of Non-Segregated Facilities	Apr 1984	4
FAR 52.222-35	Affirmative Action for Special Disabled and Vietnam ERA Veterans	Apr 1984	4
FAR 52.222-36	Affirmative Action for Handicapped Workers	Apr 1984	2&3
FAR 52.222-37	Employment Reports of Special Disabled Veterans and Veterans of the Vietnam Era	Jan 1988	4
FAR 52.222-41	Service Contract Act of 1965	May 1989 (Service only)	2&3

Notes for clause incorporated by reference as listed above. The clauses listed are automatically incorporated into this agreement in accordance with the following:

<u>Note No.</u>	<u>Comment</u>
1	Clause applies to this contract/ agreement and to any BLA call placed hereunder regardless of dollar value.
2	Clause applies to any contract/ BLA call in excess of \$2,500.
3	Clause applies to this contract/ agreement when the cumulative total of calls placed hereunder exceeds \$2,500.

Note No.Comment

4

Clause applies to this contract/  
agreement when the cumulative  
total of calls place hereunder  
exceeds \$10,000.

2. The full text of each clause cited in paragraph 9004.1, preceding, will be provided by the MARFORRES Contracting Office as required.

9006. PREPARATION OF AWARD. The agreement shall be prepared on DD Form 1155 and numbered in the manner prescribed in chapter 10 of MCO P4200.15G. Block 19 of the DD Form 1155 shall contain a complete description of the board and/or lodging to be furnished by the contractor. A sample format is included in figure 9-1.

9007. EXECUTION AND DISTRIBUTION. The execution and distribution of board and lodging agreements shall be the same as those prescribed for BPA's in chapter 8 of this Manual.

9008. BLA USAGE PROCEDURES

1. All BLA requirements shall be submitted to the using unit's BLA administrator using NAVCOMPT 2276, DD 1149, or an approved purchase request document with the appropriate authorizing signature(s).

2. If the requirements exceed the monetary limitations of the authorized BLA caller, the requirement(s) and all supporting documentation shall be forwarded to the Major Contracting Office for action.

3. The authorized BLA caller will contact the contractor and place the call. Generally, the call will be made orally, except that informal correspondence may be used when ordering against agreements outside the local trade area. The administrator placing the call will identify himself/herself to the contractor and, after determining that the required lodging/meals are available within the time required, will order the quantity required, record the cost per unit, time and place of delivery, and call number.

4. When activities have more than one BLA for similar commodities, the BLA caller shall equitably distribute calls among the qualified suppliers. The fairness and reasonableness of the price shall be the determining factor as to whether the buys will be rotated.

5. All calls shall be controlled by the organization administering the BLA. Documentation of calls shall be limited to essential information on the BLA call log.

6. The BLA call number shall be recorded on the authorized purchase request document (requisition).
7. Upon receipt of the meals or use of the lodging, a delivery ticket/sales slip shall be signed by the individual receiving the meals/lodging and the appropriate receipt document signed acknowledging receipt/completion of meals/lodging.
8. The authorized BLA caller shall establish a method of following up on calls placed prior to their becoming delinquent.
9. The delivery tickets/sales slips and receipt documentation shall be retained until a summary invoice (monthly statement) is received from the contractor. When the summary invoice is received, a comparison will be made between the delivery ticket/sales slips and the summary invoice. If the summary invoice is correct, it will be certified for payment and forwarded along with the delivery ticket/sales slip and the original of the certification to the Fund Administrator.
10. The fund administrator shall certify these documents and forward the delivery tickets/sales slips and summary invoice to the Disbursing Officer for payment.

9009. PURCHASE REQUEST DOCUMENT. The purchase request document will be screened to ensure the inclusion of the following items:

1. An authorized signature.
2. Accounting information and estimated funds. The estimated cost shown on the requisition is the amount that has been committed by the cost center (BLA user) to cover the purchase of the requested lodging/meals. If the amount of the call will exceed the total funds committed, an increase of funds must be received prior to placing the order.
3. Priority designator and required delivery date.
4. Clearance and approvals as required.
5. Adequate description of lodging/meals, to include unit of issue and unit price.
6. Purchase requests shall be submitted on a NAVCOMPT 2276 or DD 1149.

9010. PROCEDURES FOR UPDATING LETTER(S) OF AUTHORIZATION. Letter(s) of Authorization listing personnel authorized to place calls are issued by the Contracting/Purchasing Office. Calls placed by persons other than the individuals authorized are unauthorized commitments.

It is the responsibility of the activity to initiate letters requesting the deletion and/or addition of personnel, as necessary. The following information shall be contained in the activity letter:

1. The unit requesting the changes.
2. A complete list of the BLAs requiring updating. (This list shall contain the BLA number and name of the contractor.)
3. A list of the authorized BLA callers.
4. A list of the authorized BLA callers which are to be deleted and/or added.

9011. PROCEDURES FOR COMPLETING THE BLA CALL LOG. After placing each BLA call, the BLA caller will place the necessary data on the BLA call log (see figure 9-2). Required data is as follows:

1. Calendar date the call was placed, call number, date of delivery, requisition number, description, person the call was placed with, total amount of the call, and signature of the BLA caller/buyer.
2. Call numbers are assigned to each unit by the Contracting/Purchasing Office in the BLA and shall be consecutive throughout the duration of the BLA.
3. The cumulative total is a running total of the amount of money actually spent. The cumulative total shall be reverted to a zero balance at the beginning of each fiscal year.

9012. REPORTS REQUIRED. The current edition of MCO P4200.15 and the Federal Acquisition Regulation (FAR) requires the reporting of all purchase actions and dollar amounts to higher headquarters. These BLA call actions must be included in the Monthly Summary of Actions Report (see paragraph 2005).

9013. FILE MAINTENANCE

1. The BLA folder shall be established and maintained as follows. Each BLA folder shall contain the following documents:
  - a. The activity's copy of the BLA.
  - b. All modifications/correspondence pertaining to that BLA.
  - c. Letters of Authorization for authorized BLA callers.
  - d. BLA call log.



- e. Purchase request document(s) for calls placed.
- f. Delivery tickets/sales slips for each call placed.
- g. All waivers or special documents pertaining to the BLA.

2. The contractor's invoices, summary invoice and payment vouchers shall be destroyed three years after payment or receipt of material, whichever is later. In the event of BLA cancellation, the BLA shall be retained for three years after final payment.

9014. CONTROLS. Three-way control for all purchases must be established when possible. This means different personnel in each phase of the BLA action should perform a particular task.

1. Controls will be established by the head of the branch/section using the BLA to preclude the performance of any two of the following functions by the same person:

- a. Initiation of the requirement (purchase request document);
- b. Placement of call; and
- c. Receipt, inspection, and acceptance of the material.

2. If circumstances make the use of a three-way control impractical, the established control, as a minimum, will provide that the person placing the call shall not perform the function of receipt, inspection, and acceptance of the material.

9015. REVIEW OF BLAs. The Contracting/Purchasing Officer or his designated representative shall conduct a semiannual review of BLA's to assure that authorized procedures are being followed and purchases are being made in strict compliance with provisions of the current edition of MCO P4200.15 and the FAR. These reviews shall be conducted during March and September of each year. A statement that the review was conducted, and that the applicable instructions governing BLAs are being complied with, shall be maintained on file. The review will ensure that calls are distributed properly and regular supply channels are not circumvented. The checklist shown in figure 5-2 shall be used to conduct the BLA review.

9016. PROCEDURES FOR REQUESTING BOARD AND LODGING AGREEMENT. Requests for BLA's shall be submitted on the cost center administrator/user's letter heading (BLA user) via the appropriate chain of command to the Contracting/Purchasing Office. Each request shall include, as a minimum, the following information:

- 1. An adequate description of the lodging or meals needed.

2. Estimated annual usage.
3. Recommended source(s), if known.
4. Justification for requirement.
5. List of personnel to be assigned as authorized callers of the BLA at the unit level.
6. A point of contact/telephone number for the requesting unit.

9017. RESPONSIBILITIES. It is the responsibility of the BLA administrator to ensure proper compliance with the guidelines set forth in this Manual and with the references with which the BLA is established. Noncompliance with the subject references and instructions may result in the termination of BLA authority.

1. The BLA administrator shall ensure that each authorized BLA caller is thoroughly trained in the pertinent BLA procedures before actually administering call authority.
2. The BLA administrator shall ensure that all military personnel and civilian employees engaged in the placement of calls against BLAs are thoroughly indoctrinated on their individual responsibilities in adhering to the ethical standards of conduct. Upon assignment as a BLA administrator or authorized caller, and annually thereafter, every individual shall become familiar with the contents of the current edition of SECNAVINST 5370.2. After receiving indoctrination, each individual shall sign a statement certifying the same (see figure 3-1).
3. Each indoctrination shall be signed and dated by the individual and be retained on file until five years after the individual has ceased to serve as a BLA administrator or authorized caller.
4. The BLA administrator shall perform internal reviews to ensure compliance with BLA regulations by the BLA authorized caller(s).
5. The BLA administrator shall ensure timely payments are made to the contractor.

## SOP FOR PURCHASING AND CONTRACTING

# ORDER FOR SUPPLIES OR SERVICES

(Contractor must submit four copies of invoice.)

Form Approved  
OMB No. 0704-0187  
Edition Aug 31, 1987

PAGE 1 OF

3

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204 Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0187), Washington, DC 20503. Please do NOT RETURN your copy of this document.

1. CONTRACT PURCH ORDER NO. M68479-94-A-0010		2. DELIVERY ORDER NO.		3. DATE OF ORDER 21 OCT 93		4. REQUISITION PURCH REQUEST NO. AS ASSIGNED PER CALL		5. CERTIFIED FOR NATIONAL DEFENSE UNDER DAB REG 1	
6. ISSUED BY CONTRACTING OFFICE MARINE RESERVE FORCE 4400 DAUPHINE STREET NEW ORLEANS, LA 70146-5400				CODE: M68479		7. ADMINISTERED BY (If other than 6) SAME AS BLOCK 16		CODE:	
8. CONTRACTOR NAME AND ADDRESS LANDMARK HOTEL 2601 SEVERN AVE METairie, LA 70002				CODE:		FACILITY CODE:		9. DELIVER TO FOB POINT BY (Date) AS PER CALL	
						12. DELIVERY TERMS NET 30		10. MAKE IF BUSINESS IS <input checked="" type="checkbox"/> SMALL <input type="checkbox"/> SMALL DISADVANTAGED <input type="checkbox"/> WOMEN-OWNED	
14. SHIP TO AS ASSIGNED PER CALL BY BUYER				CODE:		15. PAYMENT WILL BE MADE BY AS ASSIGNED PER CALL BY BUYER		CODE: M67443	
16. DELIVERY: This delivery order is issued on contract order of the Government of the United States of America and is subject to the terms and conditions of the contract order. The contractor hereby accepts the offer represented by the numbered purchase order as it may previously have been or is now modified, subject to all of the terms and conditions set forth, and agrees to perform the same.									
17. NAME OF CONTRACTOR: TELBOOQUE MR. ZIMMER, 21 OCT 93									
18. SIGNATURE: [Signature] TYPED NAME AND TITLE: DATE SIGNED:									
19. ITEM NO. APPROPRIATION SYMBOL AND SUBHEAD. OBJECT CLASS. BUDGETARY CONTROL NO. SUB-ALLOT. AUTHORITY ACTIVITY. DRAINAGE TYPE. PROPERTY ACTIVITY. COUNTRY. COST CODE. AMOUNT.									
AS ASSIGNED PER CALL									
20. SCHEDULE OF SUPPLIES/SERVICES									
21. QUANTITY ORDERED ACCEPTED									
22. UNIT									
23. UNIT PRICE									
24. AMOUNT									
PROMPT PAYMENT ACT NOTIFICATION									
THIS CONTRACTUAL ACTION PROVIDES FOR SPECIAL ACCEPTANCE TERMS OTHER THAN THE SEVEN-DAY CONSTRUCTIVE ACCEPTANCE PERIOD. SEE FAR 52.232-25, "PROMPT PAYMENT" AS CITED WITHIN THIS CONTRACT/ORDER.									
FOR PURCHASES UNDER \$2,500.00									
THE ISSUANCE OF INDIVIDUAL CALLS UNDER THIS BLANKET PURCHASE AGREEMENT WILL BE MADE UNDER THE AUTHORITY OF 10 U.S.C. 2304(a)(3) OR 10 U.S.C. 2304(a)(6).									
SEE PAGE TWO									
25. UNITED STATES OF AMERICA									
By: L.E. STRICKLAND, CAPT/USMC									
26. CONTRACTING ORDERING OFFICER									
27. QUANTITY IN COLUMN 20 HAS BEEN <input type="checkbox"/> INSPECTED <input type="checkbox"/> RECEIVED <input type="checkbox"/> ACCEPTED AND CONFORMS TO THE CONTRACT EXCEPT AS NOTED									
28. DATE									
29. SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE									
30. DATE									
31. SIGNATURE AND TITLE OF CERTIFYING OFFICER									
32. DATE RECEIVED									
33. TOTAL									
34. DIFFERENCES									
35. PAID BY									
36. AMOUNT VERIFIED CORRECT FOR									
37. CHECK NUMBER									
38. BILL OF LADING NO									
39. TOTAL CONTAINERS									
40. ACCOUNT NUMBER									
41. VOUCHER NO									

Figure 9-1.--Sample DD Form 1155 (BLA).

# SOP FOR PURCHASING AND CONTRACTING

CONTINUATION SHEET		REFERENCE OF DOCUMENT NUMBER	PAGE	OF	
		NSA475-94-1-0010	2	3	
NAME OF OFFEROR OR CONTRACTOR					
LANTANA HOTEL					
ITEM NO.	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
<p><b>DESCRIPTION OF AGREEMENT:</b> THIS IS BOARD AND LODGING AGREEMENT (BLA) FOR BOARD AND LODGING SERVICES NORMALLY PROVIDED BY THE CONTRACTOR TO THE PUBLIC. BOARD AND LODGING SERVICES WILL BE FURNISHED BY THE CONTRACTOR ON A SPACE AVAILABILITY BASIS WHEN REQUESTED BY THE CONTRACTING OFFICER OR HIS DESIGNATED REPRESENTATIVE. THE PERIOD OF THIS AGREEMENT WILL BE INDEFINITE AND SHALL BE REVIEWED ANNUALLY BY THE CONTRACTING OFFICER. THE GOVERNMENT RESERVES THE RIGHT TO REVOKE THIS AGREEMENT, IN WRITING, AT ANY TIME. THE GOVERNMENT IS OBLIGATED UNDER THIS BLA ONLY TO THE EXTENT OF AUTHORIZED CALLS ACTUALLY PLACED AGAINST THIS AGREEMENT BY THOSE INDIVIDUALS DESIGNATED IN THE AGREEMENT.</p> <p><b>PRICING:</b> THE PRICES TO THE GOVERNMENT FOR ALL PURCHASES MADE UNDER THIS AGREEMENT SHALL BE AS LOW AS, OR LOWER THAN, THOSE CHARGED TO THE CONTRACTOR'S MOST FAVORED CUSTOMER UNDER SIMILAR CIRCUMSTANCES IN ADDITION TO ANY DISCOUNTS FOR PROMPT PAYMENT. PRICES ARE TO BE QUOTED F.O.B. DESTINATION IN ACCORDANCE WITH FAR 52.247-34, PAGE 3 OF 3 OF THIS AGREEMENT.</p> <p><b>CALL LIMITATION:</b> NO CALL PLACED UNDER THIS AGREEMENT SHALL EXCEED \$10,000. IN ADDITION, NO CALL IN EXCESS OF THE DOLLAR AMOUNT AUTHORIZED AN INDIVIDUAL SHALL BE MADE BY THE INDIVIDUAL OR HONORED BY THE CONTRACTOR.</p> <p><b>INDIVIDUALS AUTHORIZED TO PLACE CALLS AND DOLLAR LIMITATIONS:</b> A LIST OF AUTHORIZED INDIVIDUALS IDENTIFIED BY ORGANIZATION AND THEIR DOLLAR LIMITATIONS WILL BE PROVIDED TO THE CONTRACTOR UNDER SEPARATE COVER BY THE THE CONTRACTING OFFICER, AS WILL ANY CHANGES.</p> <p><b>DELIVERY TICKETS:</b> ALL SERVICES RENDERED UNDER THIS AGREEMENT SHALL BE ACCOMPANIED WITH DELIVERY TICKETS, OR SALES RECEIPT, IN TRIPPLICATES WHICH SHALL CONTAIN THE FOLLOWING MINIMUM INFORMATION.</p> <ol style="list-style-type: none"> <li>NAME OF CONTRACTOR</li> <li>BOARD AND LODGING AGREEMENT NUMBER</li> <li>DATE OF CALL</li> <li>CALL NUMBER</li> <li>ITEMIZED LIST OF SERVICES/SUPPLIES FURNISHED</li> <li>QUANTITY, UNIT PRICE AND EXTENSION OF EACH ITEM, LESS APPLICABLE DISCOUNTS</li> <li>NAME OF INDIVIDUAL WHO PLACED THE CALL</li> </ol> <p>UPON RECEIPT OF SERVICES/SUPPLIES, THE CONTRACTOR SHALL SUBMIT A COPY OF THE SIGNED RECEIPT (AS RECEIPTED FOR BY GOVERNMENT PERSONNEL) WITH HIS MONTHLY SUMMARY INVOICES. THE CONTRACTOR SHALL SUBMIT SUMMARY BILLING IN ACCORDANCE WITH EACH BLA CALLER'S BLA CALL NUMBER SERIES.</p> <p><b>AVAILABILITY:</b> REQUESTS FOR RESERVATIONS SHALL BE MADE IN ADVANCE AND ARE SUBJECT TO AVAILABILITY.</p> <p><b>REGULAR RATES:</b> SINGLE - \$52.00      DOUBLE - \$55.00</p> <p><b>SPECIAL EVENT RATES:</b> SINGLE - \$75.00      DOUBLE - \$75.00</p>					

Figure 9-1.--Sample DD Form 1155 (BLA) (Continued).

## SOP FOR PURCHASING AND CONTRACTING

9-13

Figure 9-2. Sample BLA Call Log.

## SOP FOR PURCHASING AND CONTRACTING

### SEMIANNUAL REVIEW OF BOARD AND LODGING AGREEMENT

BLA # M \_\_\_\_\_ -- \_\_\_\_\_

Period Covered \_\_\_\_\_

Call Numbers Reviewed \_\_\_\_\_

<u>ITEM OF REVIEW</u>	<u>YES</u>	<u>NO</u>
1. Are calls being placed by authorized individuals?	_____	_____
2. Are calls within monetary limitations?	_____	_____
3. Is the file properly documented and maintained?	_____	_____
4. Are there authorized purchase requests for each call?	_____	_____
5. Are calls being rotated?	_____	_____
6. Is there a Standard of Conduct on file for all authorized callers?	_____	_____
7. Are requirements being split to avoid monetary limits?	_____	_____
8. Are payments being processed properly and promptly?	_____	_____
9. Are assigned call numbers being used?	_____	_____
10. Are all required documents in the folder by number?	_____	_____
11. Are up to date lists of individuals authorized to place calls on file for each BLA?	_____	_____
12. Are the items ordered, receipted for, and the invoice certified for payment by different individuals (three-way control if possible)?	_____	_____
13. Are any BLA's showing little or no usage?	_____	_____
-----		
14. Remarks		

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

Figure 9-3.--Format for Semiannual BLA Review.

# SOP FOR PURCHASING AND CONTRACTING

## CHAPTER 10

### OPEN MARKET PURCHASING

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## SOP FOR PURCHASING AND CONTRACTING

### CHAPTER 10

#### OPEN MARKET PROCEDURES

10000. INFORMATION. Open market purchasing is the method whereby an agency of the Government acquires ownership or control of supplies or receives the benefit of services from commercial sources in exchange, generally, for the payment of appropriated funds. Direct purchase from commercial sources on an open market basis is the least desired acquisition method. Accordingly, all MARFORRES activities shall ensure that the prescribed Government sources of supply listed in chapter 5 of MCO P4200.15, are considered to the maximum extent practicable prior to acquiring supplies or services through an open market purchasing method. Purchasing authority at MARFORRES activities shall be subject to the limitations set forth in chapter 2 of this Manual.

#### 10001. SCOPE

1. Limitations. Unless otherwise restricted herein, MARFORRES activities shall be subject to the following limitations when effecting small purchases on an open-market basis:

- a. MARFORRES Regional Contracting Office - \$25,000.
- b. Minor Contracting (Purchasing) Offices - \$2,500.

2. Procedures. This part sets forth small purchase procedures for open-market purchasing of supplies and/or services from commercial sources. The following subjects are covered:

- a. Choosing a small purchase method. (See paragraph 10002.)
- b. Obtaining price quotations (competition). (See paragraph 10003.)
- c. Selecting a supplier (making award). (See paragraph 10004.)
- d. Imprest fund/IMPAC Card (purchasing and administration). (See chapter 7 of this Manual.)
- e. BPAs. (See chapter 8 of this Manual.)
- f. Delivery Orders. (See section 1, chapter 10 of this Manual.)
- g. Purchase orders. (See section 2, chapter 10 of this Manual.)

10002. DEFINITIONS

1. Small Purchase. Those purchases of supplies and services, other than personal services, when the aggregate amount involved in any one transaction does not exceed the limits set forth in paragraph 9001.1, preceding. The term does not include contracts, regardless of the amount, entered into by formal advertising, nor does it include delivery orders under indefinite delivery-type contracts or upon Government sources of supply.
2. Local Purchase. The authorized purchase of materials, supplies, or services by an installation for its own use or the use of an installation or activity logistically supported by it. Local purchase is not limited to the immediate geographical area in which the purchasing installation is located.
3. Negotiation Authority. Small purchases shall be accomplished by negotiation, and 10 U.S.C. 2304(a)(3) shall be cited as the statutory authority for the purchase.
4. Bulk Funding Concept. A system whereby a contracting/purchasing officer receives authorization from a fiscal officer (allotment administrator) to obligate funds on purchase documents against a specified lump sum of funds reserved for a specified purpose or during a specified period rather than obtaining individual commitment for each. The bulk funding concept shall be used to the maximum extent practicable, to reduce processing delays such as double handling.
5. Local Trade Area. The immediate metropolitan shopping area most accessible to the contracting/purchasing activity.
6. Responsible Supplier. Purchases shall be made only from responsible suppliers. Generally, one who regularly deals in or manufactures the item to be purchased and does not have an unsatisfactory record of past deliveries or performance.
7. Abstract of Quotations. The record sheet on which all quotations received are itemized, listing prices, payment terms, and delivery time, thus providing a "picture" of the results of the solicitation for ease of evaluation. (See paragraph 10004.1.)
8. Immediately Available. The term "immediately available" as used herein means available over the counter at that time (not for delivery later).

10003. CHOOSING A SMALL PURCHASE METHOD

1. The Contracting/Purchasing Officer shall use any of the purchase methods described in this Manual which are determined to be most suitable to the immediate requirement and which will accomplish the

transaction in the most efficient and economical manner, subject to the limitations imposed.

2. Purchase requests for like items, such as hardware or automotive parts, shall be grouped and accomplished, insofar as possible, as a single purchase transaction. Requirements shall not be split or broken down in such a manner to circumvent the monetary limitations imposed herein for the purpose of avoiding negotiation or using another of the small purchase methods prescribed. Purchases in excess of authorized dollar limitations, or beyond the scope of the purchasing activity, shall be handled in accordance with paragraph 2003.6 of this Manual.

3. To the maximum extent practicable, all purchases by Minor Contracting (Purchasing) Offices shall be reserved for small business concerns. When the purchase cannot be made from a small business concern or when small business prices are unreasonable, this file shall be documented accordingly. A small business firm is typically defined as one which has less than 500 employees (for manufactured products) or annual receipts of \$2 million (for services).

4. The IMPAC Card shall be the primary method of purchase and payment when accepted by the vendor.

5. The Blanket Purchase Agreement is a simplified method of filling anticipated, repetitive needs for small quantities of supplies or services by establishing "charge accounts" with qualified sources of supply. BPAs are designed to reduce administrative costs in accomplishing small purchases by eliminating the need for issuing individual purchase documents.

6. Board and Lodging Agreements are similar to BPAs with the exception of that competition must be solicited before establishing a BLA.

7. The Purchase Order method shall be used when:

a. The total value of the transaction does not exceed the limitations set forth in paragraph 10001.1.

b. More than one delivery or payment is necessary.

c. The purchase is classified.

d. It is desirable to have the terms of the transaction in writing.

8. The small purchase techniques described in the preceding paragraphs are the only methods authorized for use by Minor Contracting (Purchasing) Offices within the MARFORRES.

10004. OBTAINING PRICE QUOTATIONS

1. Purchases Not Exceeding \$1,000. Small Purchases not exceeding \$1,000 may be accomplished without securing competitive quotations if the prices are considered to be reasonable. Such purchases shall be distributed equitably among qualified suppliers. When practicable, a quotation shall be solicited from other than the previous supplier prior to placing a repeat order.

2. Competition in Purchases in Excess of \$1,000

a. Solicitation of quotations from a reasonable number of qualified sources of supply shall be made to assure that the purchase is to the advantage of the Government, with price and other factors considered, to include the administrative cost of the purchase. Generally, solicitation shall be limited to three suppliers and, to the maximum extent possible, shall be restricted to the local trade area of either the purchasing or receiving activity. If practicable, two sources not included in the previous solicitation should be requested to furnish quotations. Quotations should generally be solicited orally. Written solicitations using the SF 18 (Request for Bids) or DD Form 1155 (Order for Supplies or Services) should be used when either:

(1) The suppliers are located outside the local area.

(2) Special specifications are involved.

(3) A large number of line items are included in a single proposed purchase.

(4) Obtaining oral quotations is not considered economical or possible.

b. Reasonableness of a proposed price should be based on competitive quotations. If only one response is received, or the price variance between multiple responses reflects lack of adequate competition, a statement shall be included in the contract file setting forth the basis of the determination of fair and reasonable price. This determination may be based on a comparison of the proposed price with prices found reasonable on previous purchases, current price lists, catalogs, advertisements, similar items in a related industry, value analysis, or any other means. Written records of solicitation may be limited to abstracts to show vendor or vendors contacted, prices, delivery, and any other informal historical data. If a separate form is used for documentation of price reasonableness, DD Form 1784 (Small Purchase Pricing Memorandum) shall be used. If this form is not used, the price reasonableness statement shall be based on one or more of the criteria set forth on the form. In any case, the Contracting/Purchasing Officer should gain as much knowledge as practicable of the physical and material characteristics and intended use of the item to be purchased. When only one source is

solicited, an additional notation must be made to explain the absence of competition, except for purchasing of utility services available from only one source or of educational services from nonprofit institutions. Notifications to unsuccessful suppliers shall be given only if requested. See figure 10-1 for sample DD Form 1784.

c. Occasionally, an item can be obtained only from a supplier who quotes a minimum order price or quantity which either unreasonably exceeds stated quantity requirements or results in an unreasonable price for the quantities required. If practicable, before placing the order, the requiring activity should be informed in such cases of all facts regarding the quotation and requested to confirm or alter their requirement for the item or items under consideration. The file shall be documented to support the final action taken.

3. Related Common Items Grouped Together. When related common items are grouped together for the purpose of reducing administrative time and cost of the purchase transaction, the award may be made by lot (lowest aggregate quotation) rather than by item. In soliciting quotations on this basis, each supplier shall be advised of this award procedure when the quotation is requested.

4. Purchase Descriptions. A purchase description may be used in lieu of a specification where no applicable specification exists. An adequate purchase description is an aid to competition and, in the absence of competition, aids in determining the reasonableness of price. A purchase description should set forth the essential physical and functional characteristics of the materials or services required. As many characteristics as necessary to express the minimum requirements of the Government should be used in preparing purchase descriptions. See paragraph 11004.3 of this Manual for more detailed information.

5. Federal or Military Specifications. When it is necessary or appropriate to specify a Federal or military specification in the request for quotation, vendors submitting quotations will be advised where they can review the specification or obtain a copy thereof.

a. Firms may obtain single copies of Federal specifications from the nearest GSA regional office.

b. Copies of unclassified Federal, military, and other standards and specifications may be obtained from the Standardization Document Order Desk in Philadelphia, PA (see paragraph 5001.13 of this Manual).

c. Firms must be advised to refer to the request for quotation number and issuing office when requesting copies of specifications from these sources.

d. Brand names are not used in conjunction with Federal or military specifications.

e. A firm inserting a brand name on the request for quotation proposes to furnish that brand and/or model number and does not always guarantee the product's conformance to the specification. Responsibility for assuring that the brand name offered conforms to the essential elements of the specifications rests with the Contracting/Purchasing Officer and must be established before issuing the award.

f. Referenced specifications and standards shall be tailored in their application. Tailoring consists of the exclusion of those sections, paragraphs, or sentences of individual specifications and standards not required for a specific purchase so that each document applied states only the minimum requirements of the Government. Such tailoring need not be made a part of the basic specification or standard but will vary with each application, dependent on the nature of the purchase. When specifications are cited, they and all amendments or revisions applicable to the purchase shall be identified, including the respective approval dates of the applicable issued revision, amendment, or notices. When specifications, standards, or other documents are referenced in cited specifications, their effective issue or revision shall be that listed in the Department of Defense Index of Specifications and Standards (DoDISS) and supplements thereto, unless specific issues are set forth in the solicitation. The date of the applicable DoDISS and supplements thereto shall be set forth in the solicitation. Copies of all specifications, standards, and other documents citing issue dates other than those shown for documents by the specified DoDISS must be furnished with the solicitation or shall state where such documents may be obtained (see paragraph 5001.13) or examined. The requirements to identify the DoDISS, specifications, standards, or other documents by issue refers to the specific calendar date of approval printed on the document or the latest applicable amendment or revision notice. General identification, such as "the issue in effect on the date of the solicitation" or similar language, shall not be used. Drawings and data furnished with solicitations shall be clear and legible.

6. Time of Opening. Quotations may be opened and the award made when all quotations have been returned, notwithstanding the fact that the date prescribed for opening in the quotation is not at hand.

7. Safekeeping Quotations. While locked security is not required for quotations under \$25,000, good business practices dictate careful and discreet handling and safeguarding of the contents of all quotations up to the time of award.

8. Discussion with Suppliers. Suppliers are understandably anxious to know at the earliest date the status of their quotations and, to this end, may seek whatever information they can obtain. Such information as to the number of quotations solicited, range of prices quoted, standing of prices submitted, and advice as to whether the price is "in line," "favorable," or other words or actions from which improper inference could be drawn, while seemingly innocent, tends to

encourage more probing, promote the auction technique, and, in general, serves to weaken the integrity of negotiated purchasing.

10005. SELECTING A SUPPLIER (MAKING AWARD)

1. Written or Oral Quotations. Quotations, written or oral, shall be recorded either on DD Form 1501 (Bid Abstract Sheet), directly on the purchase request, or on any other appropriate worksheet. The abstract sheet shall be retained with the purchase document.

2. Transportation Charges. Quotations which are submitted on other than a free on board (f.o.b.) destination basis shall be evaluated inclusive of all transportation charges.

a. When requesting price quotations from dealers, either orally or in writing, the dealer shall be advised that prices are desired on an "f.o.b. destination" basis.

b. For quotations of other than "f.o.b. destination", refer to MCO P4200.15G paragraph 7005.

3. Discounts. Quotations offering prompt payment or trade discounts shall be evaluated as prescribed in paragraph 7006 of MCO P4200.15G.

4. Indefinite Price. Quotations which are indefinite as to price or are based on price escalation shall not be considered.

5. Indefinite Delivery. Quotations which are contingent on the availability of supplies or are otherwise indefinite as to a firm delivery date or time shall not be considered.

6. Low Bidder. Award shall be made on the basis of lowest prices received from responsible suppliers, consistent with delivery and specification requirements. If award is made to other than low bidder, the Contracting/Purchasing Officer shall make a written explanation of the circumstances for the transaction file.

7. Deviations from Specifications. Quotations failing to conform to essential requirements of the specifications may be rejected and need not be considered in the evaluation. A written explanation of the reason for the rejection shall be kept on file with the bid abstract.

8. Mistakes in Quotations. Apparent mistakes in written quotations, such as prices which are noticeably out of line with those of other suppliers, misplaced decimal points, designation of unit measure, etc., shall be clarified prior to award by contacting the supplier and asking for a review and confirmation of that part of the quotation. Confirmation should be in writing. (See paragraph 10006 of this Manual.)

9. Equal Low Quotations. When quotations are equal in all respects and the tie cannot be broken by further negotiation, award shall be made by a drawing by lot which shall be witnessed by at least three persons from other than the Contracting/Purchasing organization; and the bid abstract shall be annotated accordingly.
10. Late Quotations. Quotations received after the time specified for opening but before award may be considered if more advantageous to the Government.
11. Foreign-Made Supplies. Refer to chapter 8 of MCO P4200.15G.
12. Taxes. Refer to paragraph 7003 of MCO P4200.15G for information on local and state taxes.

10006. INSTRUCTIONS FOR HANDLING MISTAKES IN QUOTATIONS. Minor mistakes in quotations, as defined in paragraph 9005.8, shall be handled as follows:

1. When the mistake is not discovered until after issuance of the contract, and if correction of the mistake would make the order more favorable to the Government without changing the essential requirements of the specifications, the mistake may be corrected by issuance of a modification using a SF-30, Amendment of Solicitation/Modification of Contract.
2. All other mistakes shall be forwarded to the MARFORRES Contracting Officer (KO) for decision with the following information:
  - a. Written statement of the supplier stating the facts surrounding the error.
  - b. Written statement of the Minor Contracting (Purchasing) Officer.
    - (1) Summarizing the transaction.
    - (2) Giving opinion of the circumstances.
    - (3) Making a recommendation.
  - c. A copy of the quotation.
  - d. A copy of the abstract of quotations.
  - e. A copy of the purchase order (if applicable).



# SOP FOR PURCHASING AND CONTRACTING

## CHAPTER 10

### OPEN MARKET PROCEDURES

#### SECTION 1: DELIVERY ORDERS

10100. DEFINITION. A delivery order is an order placed with a commercial firm against an existing contract which has been entered into by the Marine Corps or any agency of the Government, such as GSA, etc. In addition, any order to a Government agency shall be formatted as a delivery order, except as stated herein.

10101. INFORMATION

1. Delivery orders also include orders placed with the FPI, NIB, and other severely handicapped.
2. Military Standard Requisitioning and Issue Procedures (MILSTRIP) or other requisitions placed directly with another activity of the DoD or MILSTRIP/Federal Standard Requisitioning and Issue Procedures (FEDSTRIP) requisitions to a GSA stores stock depot are not considered to be delivery orders.
3. Work orders or job orders placed with agencies such as the Naval Facilities Engineering Command or its public work centers are not considered to be delivery orders.
4. Delivery orders may be placed without regard to monetary limitation so long as they comply with the limitations contained in the basic contract. Minor Contracting (Purchasing) Officers may not place delivery orders beyond their monetary limitation of \$10,000.

10102. FORMS. DD Form 1155 shall be used in issuing delivery orders. The DD Form 1155 shall be filled out as outlined in paragraph 10201.3. (See figure 10-2 for example.)

10103. TERMS AND CONDITIONS. The Standard FAR Clause Sheet (see figure 10-3), is not applicable to delivery orders. The terms and conditions governing the contractor's performance under delivery orders are spelled out in the basic contractual agreement against which the order is being placed. Accordingly, care must be exercised to ensure that any clause or stipulation placed in the body of the delivery order is not in conflict with an existing provision of the basic contract.

10104. PREPARATION OF DD FORM 1155. Delivery orders are considered obligations documents and, as such, shall include all information which may be necessary to create definite obligations. The DD Form 1155 shall be filled out substantially as set forth in paragraph 10201.3 under "DO" and as follows:

1. The block entitled "Delivery Order" shall be checked to distinguish the transaction from a purchase order.
2. In block No. 1, enter the contract number against which the delivery order is being placed of reference to the Schedule of Prison-Made Products or listing of blind-made products.
3. Enter the inspection, acceptance, delivery, invoice, and payment provisions to the extent not covered in the terms and conditions of the basic contract.

10105. SIGNATURE

1. The Contracting/Purchasing Officer shall sign all delivery orders.
2. The delivery order shall contain the typewritten name of the Contracting/Purchasing Officer, and the original thereof shall be manually signed. When reproducible masters are used, only the masters need be manually signed. FACSIMILE signatures may not be used. (See paragraph 10207 for the designation of originals when reproducible masters are used.)

10106. PAYMENT

1. The DD Form 1155 may be used as a public voucher without monetary limitation when it is used as a delivery order.
2. Purchases under \$2,500 may be made with contractors by use of the IMPAC card purchase method, providing the contractors agrees with the arrangement.

# **SOP FOR PURCHASING AND CONTRACTING**

## **CHAPTER 10**

### **OPEN MARKET PROCEDURES**

#### **SECTION 2: PURCHASE ORDERS**

##### **10200. INFORMATION**

1. A purchase order is a DD Form 1155 signed by a Contracting/Purchasing Officer which requests a vendor to send the items listed in block 18 to the Marine Corps per information furnished on the Form.
2. The purchase order method should be used when it is desirable to have the terms of the transaction in writing or when there is more than one delivery or payment. It should be noted that the imprest fund/IMPAC card and BPA/BLA methods of small purchase are more desirable than the purchase order method because of the high administrative costs of issuing purchase orders.

##### **10201. USE OF DD FORM 1155**

1. Negotiated purchases of material and nonpersonal services within the limitations established by paragraph 10001.1 may be affected by using DD Form 1155 and its related forms.
2. The DD Form 1155 may be used as:
  - a. A purchase order, BPA, delivery order under a contract, delivery order on Government agencies outside DoD, or a request for quotation.
  - b. A receiving and inspection report.
  - c. A property voucher.
  - d. A public voucher (when used as a purchase order under \$2,500 and without limitation when used as a delivery order).
  - e. An imprest fund/IMPAC card receipt.
3. The DD Form 1155 shall be filled out as follows (see figure 10-4).

NOTE: The letters in the right-hand columns indicate the person responsible for completing the blocks; i.e., "C" for contractor and "P" for purchasing or contracting office. The dash indicates that it is not applicable. "RFQ" stands for Request for Quotation, "PO" stands for Purchase Order, and "DO" stands for Delivery Order.

Block No.	Title and Instructions for Entries	Applicable to		
		<u>RFQ</u>	<u>PO</u>	<u>DO</u>
1	<u>Contract/Purchase Order No.</u> Enter the procurement instrument identification number (PIIN) as prescribed in chapter 10 of MCO P4200.15G.	--	P	P
2	<u>Delivery Order No.</u> Enter the PIIN for delivery orders as prescribed in chapter 10 of MCO P4200.15G.	--	--	P
3	<u>Date of Order.</u> Enter the date of the order; i.e., two-position numeric year, three-position alpha month, and two-position numeric day. For example 94 Jan 05.	--	P	P
4	<u>Requisition/Purch. Request No.</u> Enter the applicable number authorizing the purchase. When the number differs by line item, it will be listed in the schedule; and this block will be annotated "See schedule".	P	P	P
5	<u>Certified for National Defense Under DMS Reg. 1.</u>	--	P	P
6	<u>Issued By.</u> Enter the name and address of the purchasing/contracting office. Enter in the code block the organization entity code (address code) of the purchasing/contracting office as contained in the current edition of MCO 4420.4.	P	P	P
7	<u>Administered By.</u> If the office is listed in block 6, no entry is required; or, when applicable, enter the name and address of the Defense Contract Administration Service (DCAS) or military activity responsible for administration service.	P	P	P

## SOP FOR PURCHASING AND CONTRACTING

10201

Block No.	Title and Instructions for Entries	Applicable to		
		RFQ	PO	DO
8	<u>Delivery FOB.</u> Indicate the f.o.b. point by checking the applicable box (see paragraph 10005).	P	P	P
9	<u>Contractor/Quoter.</u> Enter the full business name and address of the contractor or quoter.	P	P	P
10	<u>Deliver to f.o.b. Point By.</u> If a single date of delivery is applicable to entire order, it shall be entered in this block. Multiple delivery dates will be listed in the schedule, and this block annotated "See schedule".	P	P	P
11	<u>Check if Small Business/Minority Business.</u> Check if the contractor/quoter is a small business or a minority concern.	C	P	P
12	<u>Discount Terms.</u> Enter the discount terms for prompt payment.	C	P	P
13	<u>Mail Invoices To.</u> Enter a reference to the block number containing the appropriate address to which invoices are to be mailed.	--	P	P
14	<u>Ship To.</u> If a single ship-to-point is applicable to the entire order, the name and address of that point may be entered in this block. Multiple ship-to-points will be shown in the schedule, and this block annotated "See schedule".	P	P	P
15	<u>Payment Will Be Made By.</u> Enter the name and address of the activity making payment. Enter in the code block of the organization entity (address code) of the paying office (when published).	--	P	P

## SOP FOR PURCHASING AND CONTRACTING

Block No.	Title and Instructions for Entries	Applicable to		
		<u>RFQ</u>	<u>PO</u>	<u>DO</u>
16	<p><u>Type of Order.</u> Indicate by checking the appropriate box whether the order is a purchase order or delivery order. If it is a purchase order, further entries are made as follows:</p> <p>a. Identify the type of quotation (i.e., oral, letter, or TWX) on which the order is based.</p> <p>b. When the fast payment procedure is applicable, indicate by checking the appropriate box.</p> <p>c. Check the box when acceptance of the purchase order by the contractor is desired, and indicate the number of copies of the order to be returned to the issuing office.</p>	--	P	P
17	<p><u>Accounting and Appropriation Data Local Use.</u> Enter the accounting classification applicable to the order.</p>	--	P	P
18	<p><u>Item No.</u> Enter an item number for each item of supply or service separately indentified. Unless there is a valid reason to the contrary, the identical item number assigned to an item in a solicitation shall be assigned to that item when an award is made. Any given item number shall not be assigned more than once in a contract.</p>	P	P	P
19	<p><u>Schedule of Supplies/Services.</u> Enter the national stock number (NSN), if applicable, and complete description.</p>	P	P	P

## Block

<u>No.</u>	<u>Title and Instructions for Entries</u>	<u>RFQ</u>	<u>PO</u>	<u>DO</u>
20	<u>Quantity Ordered/Accepted</u> . Enter the total quantity ordered for the line item. If applicable, enter the breakdown on quantities for each ship-to-point within the line item.	P	P	P
21	<u>Unit</u> . Enter the unit of measure applicable to the line item described.	P	P	P
22	<u>Unit Price</u> . Enter the unit price applicable to the line item described.	C	P	P
23	<u>Amount</u> . Enter the extended dollar amount (quantity times unit price) for each line item.	C	P	P
24	<u>Contracting/Ordering Officer</u>  a. Type the Contracting or Purchasing Officer's name.  b. The Contracting or Purchasing Officer's signature will be entered in this block.	--	P	P
25	<u>Total</u> . Enter the total dollar amount for all line items on the order.	C	P	P

26-42 These blocks are utilized in the receiving and payment functions. Procedures for making entries are prescribed by separate directives.

10202. REQUIRED CLAUSES

1. Those clauses contained in figure 10-3 are applicable to all purchase orders. When it is desired to consummate a binding contract between the parties before the contractor undertakes performance, the Contracting/Purchasing Officer shall check block 16 on the DD Form 1155, requiring acceptance by the contractor.

2. The following additional clauses shall be used, as required:

a. Unpriced Orders. See paragraph 10204.3 of this Manual.

b. Variations in Quantity. Refer to paragraph 7004 of MCO P4200.15G.

c. Subscriptions. When ordering magazine subscriptions and other periodicals, use the following clauses:

"CONTRACTOR'S INVOICE MUST BE SUBMITTED BEFORE PAYMENT CAN BE MADE. CONTRACTOR WILL BE PAID ON THE BASIS OF HIS INVOICE WHICH MUST STATE: (1) THE STARTING AND ENDING DATES AND (2) THAT ORDERS HAVE BEEN PLACED IN EFFECT FOR THE ADDRESS REQUIRED, OR (3) THAT THE ORDERS WILL BE PLACED IN EFFECT UPON RECEIPT OF PAYMENT."

d. Transportation Charges. This clause shall be used when supplies are ordered on other than f.o.b. destination basis. (See MCO P4200.15G, paragraph 7005.)

3. Other clauses may be used if they are specifically authorized by the FAR, DFAR, NAVSUP, or this Manual. (See figure 10-3 for standard FAR clause sheets).

10203. PREPARATION OF PURCHASE ORDERS. All applicable blocks and spaces on DD Form 1155 shall be completed as specified in paragraph 10201 of this Manual.

#### 10204. UNPRICED ORDERS

1. An Unpriced Purchase Order (UPO) is an order for services, the price of which is not established at the time of issuance of the order. Contracting/Purchasing Officers shall assure that suppliers receiving unpriced purchase orders are carefully selected.

2. An unpriced purchase shall be used only when all of the following conditions are present:

a. The transactions will not exceed \$2,500 (\$10,000 for the Major Contracting Office).

b. It is impractical to obtain pricing in advance of issuance of the purchase order.

c. The procurement is for either:

(1) Repairs to equipment requiring disassembly to determine the nature and extent of such repairs.



(2) Sole source material for which the cost cannot be readily established.

(3) Supplies or services where prices are known to be competitive but exact prices are not known.

3. The DD Form 1155 shall be used to issue unpriced purchase orders. A realistic monetary limitation shall be placed on the unpriced purchase order which shall be an obligation subject to adjustment when the firm price is established. All unpriced purchase orders (UPO) shall contain "Not To Exceed" over the total in Block 25 of DD Form 1155. Orders shall not contain an estimated target unit price. Each unpriced purchase order shall contain the following clause:

Notice to Supplier (Apr 1984)

This is a firm order ONLY if your price does not exceed the maximum line item or total price in the schedule. Submit invoices to procuring Contracting Officer. If you cannot perform in exact accordance with this order, WITHHOLD PERFORMANCE and notify the Contracting/Purchasing Officer immediately, giving your quotation.

4. The Contracting/Purchasing Officer or designated representative shall certify that the invoice price is fair and reasonable and process the invoice for payment. Suitable local records and controls for outstanding unpriced purchase orders shall be maintained to assure regular follow-up with suppliers until the order is priced. These records should include any information available to support the fairness and reasonableness of the proposed monetary limitation.

10205. TERMINATION OF PURCHASE ORDERS. A purchase order which has not been accepted in writing by the contractor may be withdrawn or canceled by the Contracting/Purchasing Officer any time prior to the supplier's initiation of performance. Notice of withdrawal of cancellation shall be in writing and shall request the contractor's acknowledgement thereof. However, if the contractor has begun performance on such purchase order or if the contractor has accepted the purchase order in writing other than by signature on DD Form 1155 or on subsequently issued SF 30 and it later becomes necessary to terminate the purchase order, the contractor shall be asked to agree to cancellation of the order without cost or liability to either party. If the contractor agrees, the cancellation shall be effected by use of SF 30, signed by the Contracting/Purchasing Officer and the contractor. If the contractor does not agree to a no-cost settlement, the case will be referred to the Eastern Area Office of Counsel (EACO) via the Contracting Officer, MARFORRES; and action will be withheld, pending receipt of advice from that office. Termination of a purchase order which the contractor has accepted in writing by means of the contractor acceptance on DD Form 1155, or a subsequently issued SF 30,

will also be referred to EACO via the Contracting Officer, MARFORRES and action withheld pending receipt of advice from that office.

10206. OBTAINING CONTRACTOR ACCEPTANCE AND MODIFYING THE PURCHASE ORDER

1. When it is desired to consummate a binding contract between the parties before the contractor undertakes performance, the Contracting/Purchasing Officer shall mark in block 16 of the DD Form 1155 the box requiring acceptance by the contractor. SF 30 shall be used to modify the purchase order for administrative or other changes. No other form shall be used, nor shall purchase orders be modified by use of letters or other means. A superseding DD Form 1155 shall not be used to issue a change to or to cancel an outstanding purchase order.

2. Modifications making administrative changes, such as the correction of typographical errors, changes in paying office, and changes in accounting and appropriation data, do not require contractor acceptance. In addition, the issuance of no cost Amended Shipping Instructions (ASI's) which modify unilateral purchase orders and which have been concurred in by the contractor by telephone or letter do not require contractor acceptance by signature on the SF 30. (See figure 10-5 for sample format.)

3. To otherwise modify the purchase order, and if not previously included in the purchase order, termination for convenience clauses shall be incorporated by reference in the SF 30 (Amendment of Solicitation/Modification of Contract), and the contractor acceptance obtained by signature on the SF 30. Subsequent changes pursuant to the Changes Clause shall not require contractor acceptance. However, other modifications outside the scope of the Changes Clause shall require contractor acceptance by signature on the SF 30. (See figure 10-6 for sample format.)

4. No clauses, other than those set forth on the DD Form 1155 or specifically authorized elsewhere in this Manual, shall be used unless authorized by the Eastern Area Office of Counsel (EACO).

5. When difficulty is encountered with regard to modification of outstanding purchase orders, contact the Contracting Officer, MARFORRES, who will forward the problem to counsel for advice or request assistance.

10207. DISTRIBUTION OF PURCHASE ORDERS. Distribution of copies of purchase/delivery orders shall be limited to those copies required for essential administration. The following distribution schedule is furnished for information and guidance and may be adjusted to fit the needs of each contracting/ purchasing office:

Purchasing/Contracting	Signed original copy. Master copy stamped "Duplicate Original."
Contractor	Signed copy or signed reproduced copy stamped "Duplicate Original."
Disbursing	Signed original or signed reproducible master copy stamped "Duplicate Original" and three copies.
Fiscal Section	One copy for each requisition covered in the purchase order.
Supply Officer	Two copies plus one additional for each requisition covered in the purchase order.
Receiving Section	One copy for each shipment.

#### 10208. PURCHASE ORDER FILES

1. Purchase order files shall be maintained in consecutive number sequence, segregated as to "incomplete" and "complete."
2. Each file shall contain, as a minimum, the duplicate original purchase order and customer requisition, an abstract showing the competition obtained (or copies of the quotations received), the DD Form 1784 (or local equivalent) reflecting the pricing data, and/or sole source justification on those purchases over \$1,000 which are not competitive. (See paragraph 6003.) A copy of the receiving document and final payment voucher shall also be present. Any other letters, memorandums, determinations (such as Buy American Act determinations), or other documents pertaining to the purchase should be in the file. Depending on local procedures, there may be requirements for additional data. However, the purpose of the purchase order file is to establish a complete audit trail of all actions resulting in the purchase and payment thereof. Therefore, the file should contain anything that contributes to the total history of the purchase.

10209. ADVANCE PAYMENTS. Advance payments may be made only for the following items:

1. Newspapers, magazines, periodicals, and other publications in accordance with the NavCompt Manual, paragraph 046363.1. Purchase

orders for subscriptions shall contain the clause in paragraph 6303.4c.

2. Post office box rental in accordance with the NavCompt Manual, paragraph 046353.3.

3. Services rendered by State, county, or municipal offices in furnishing certified copies of articles of incorporation; records of birth, deaths, or marriages; and advance payment or deposit of filing fees, witness fees, or court costs in accordance with NavCompt Manual, paragraph 046363.4.

10210. PAYMENT PROCEDURES. A copy of the purchase order/delivery order and the original invoice shall accompany all NavCompt 2277's when submitted to disbursing for payment.

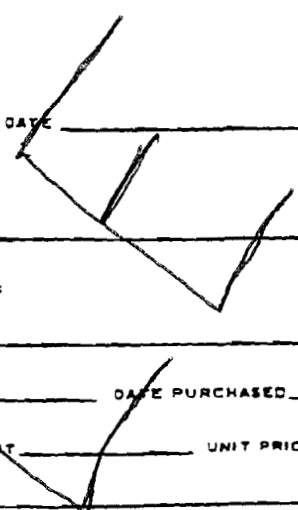
10211. PURCHASE ORDERS FOR SERVICES

1. Purchase orders for services estimated at \$1,000 or less require no special processing prior to placement of the purchase order.

2. Purchase orders for services estimated to be between \$1,000 and \$2,500 require no special processing, with the exception of meeting competition requirements, prior to placement of the purchase order.

3. Purchase orders for services estimated to exceed \$2,500 shall be forwarded to the Contracting Officer, MARFORRES for processing.

# SOP FOR PURCHASING AND CONTRACTING

<small>DEPARTMENT OF DEFENSE</small> <b>SMALL PURCHASE PRICING MEMORANDUM</b> <small>(This form may be completed in longhand)</small>	
PURCHASE REQUEST OR PURCHASE ORDER NUMBER _____	
A. PRICE REASONABLENESS BASED ON (check one or more):	
<input type="checkbox"/> COMMERCIAL CATALOG/PUBLISHED PRICE LIST NUMBER _____ DATE _____ PAGE _____  <input type="checkbox"/> ESTABLISHED MARKET PRICE: MEANS OF VERIFICATION _____  <input type="checkbox"/> COMPARISON WITH PRIOR PURCHASE OF SAME OR SIMILAR ITEM: VENDOR _____ ORDER NO _____ DATE PURCHASED _____ QUANTITY _____ UNIT _____ UNIT PRICE _____ BASIS FOR DETERMINING PRIOR PRICE REASONABLE _____  <input type="checkbox"/> VALUE ANALYSIS BY BUYER/USER/TECHNICAL PERSONNEL (incl. review of technical data, examination of sample, etc.) (Specify): _____ _____ _____ <input type="checkbox"/> OTHER (set forth specific reason, e.g., valid purchase request estimate, minimum order quantity, high priority and delivery, special packaging/markings): _____ _____ _____	
B. REASONS FOR SOLICITING ONLY ONE SOURCE	
<div style="font-size: 4em; transform: rotate(-45deg); position: absolute; left: 10%; top: 10%;">S</div>	
SIGNATURE OF BUYER _____	DATE _____

DD FORM 1784

S/N 0102-LF-025 5000

U.S. GOVERNMENT PRINTING OFFICE: 1964-O-337-7058-2

Figure 10-1.--Sample DD Form 1784.

# SOP FOR PURCHASING AND CONTRACTING

ORDER FOR SUPPLIES OR SERVICES				Form Approved OMB No. 0704-0187 Expires Aug 31, 1992		PAGE 1 OF 1	
<small>Publicizing burden for the collection of information is estimated to average 1 hour per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Service, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0187), Washington, DC 20503.</small>							
1. CONTRACT / PURCHASE ORDER NO. GS00K93AGS6407		2. DELIVERY ORDER NO. M68479-94-F-0320		3. DATE OF ORDER 9 MAR 1994		4. REQUISITION / PURCHASE REQUEST NO. M76382945SA0564	
5. ISSUED BY CONTRACTING OFFICE MARINE RESERVE FORCE, FMF, USMC 4400 DAUPHINE STREET NEW ORLEANS, LA 70146 Sgt Skinner (504) 948-5247		6. CODE M68479		7. ADMINISTERED BY (if other than 6) CODE M99999		8. CERTIFIED FOR NATIONAL DEFENSE UNDER OMB REG 1 CO A-7	
9. CONTRACTOR  NAME AND ADDRESS  08000032		10. CODE 87261		11. FACILITY CODE		12. DELIVER TO FOB POINT BY (Date) 04/09/94	
13. CONTACT: MIKE COOK 703-631-3333 X2523		14. DISCOUNT TERMS 1% Days 20 Net 030		15. MAIL INVOICES TO SEE SCHEDULE		16. MARK IF BUSINESS IS: <input checked="" type="checkbox"/> SMALL <input type="checkbox"/> SMALL DIS-AD <input type="checkbox"/> VANTAGED <input type="checkbox"/> WOMEN-OWNED	
17. SHIP TO SUPPLY OFFICER 6TH COMM BN, NMCC FORT SCHUYLER BRONX, NY 10465-4196 M68479-94-F-0320		18. CODE /		19. PAYMENT WILL BE MADE BY CODE M67443		20. MARK ALL PACKAGES AND PAPERS WITH CONTRACT OR ORDER NUMBER	
21. DELIVERY <input checked="" type="checkbox"/> This delivery order is issued as another Government agency or in accordance with and subject to terms and conditions of a base numbered contract. 22. PURCHASE <input type="checkbox"/> Reference to: ACCEPTANCE. THE CONTRACTOR HEREBY ACCEPTS THE OFFER REPRESENTED BY THE NUMBERED PURCHASE ORDER AS IT MAY PREVIOUSLY HAVE BEEN OR IS NOW MODIFIED, SUBJECT TO ALL OF THE TERMS AND CONDITIONS SET FORTH, AND AGREES TO PERFORM THE SAME.							
23. NAME OF CONTRACTOR		24. SIGNATURE		25. TYPED NAME AND TITLE		26. DATE SIGNED	
27. ACCOUNTING AND APPROPRIATION DATA / LOCAL USE 1741107.27A0.000 67661 0 068479 2D XA0564 26381945SA0564 FIP: XA05FL26071H13							
28. ITEM NO.	29. SCHEDULE OF SUPPLIES / SERVICE	30. QUANTITY ORDERED / ACCEPTED	31. UNIT	32. UNIT PRICE	33. AMOUNT		
0001	MAIL INVOICES TO:  PROPERTY CONTROL OFFICE MARINE RESERVE FORCE, FMF, USMC 4400 DAUPHINE STREET NEW ORLEANS, LA 70146  PANASONIC KP72624 WIDE CARTRIDGE PRINTER	5.00	EA	393.000000	1,965.00		
34. IF QUANTITY ORDERED BY THE GOVERNMENT IS SAME AS QUANTITY ORDERED, INDICATE BY X. IF DIFFERENT, ENTER ACTUAL QUANTITY ORDERED BELOW QUANTITY ORDERED AND ENTER BY.		35. UNITED STATES OF AMERICA		36. BY: L. E. Strickland Capt USMC		37. TOTAL 1,965.00	
38. QUANTITY IN COLUMN 29 HAS BEEN <input type="checkbox"/> INSPECTED <input type="checkbox"/> RECEIVED <input type="checkbox"/> ACCEPTED AND CONFORMS TO THE CONTRACT EXCEPT AS NOTED		39. SHIP NO.		40. O.D. VOUCHER NO.		41. INITIALS	
42. DATE SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE		43. PARTIAL <input type="checkbox"/> FINAL <input type="checkbox"/>		44. PAID BY		45. AMOUNT VERIFIED CORRECT FOR	
46. I CERTIFY THIS ACCOUNT IS CORRECT AND PROPER FOR PAYMENT.		47. COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL <input type="checkbox"/>		48. CHECK NUMBER		49. BILL OF LADING NO.	
50. DATE SIGNATURE AND TITLE OF CERTIFYING OFFICER		51. PAYMENT		52. S/R ACCOUNT NUMBER		53. S/R VOUCHER NO.	
54. RECEIVED BY		55. DATE RECEIVED		56. TOT. CONTAINERS		57. S/R ACCOUNT NUMBER	

DD Form 1155, SEP 89

Previous editions are obsolete.

CONTRACTOR MUST SUBMIT FOUR COPIES OF INVOICE

Figure 10-2.--Sample DD Form 1155 (Delivery Orders).

# SOP FOR PURCHASING AND CONTRACTING

CONTINUATION SHEET		REFERENCE NO. OF DOCUMENT BEING CONTINUED	PAGE
NAME OF OFFICER OR CONTRACTOR			
ITEM NO.	SUPPLIES/SERVICES	QUANTITY	UNIT PRICE
	FAR 52.252-2 CLAUSES INCORPORATED BY REFERENCE (JUN 1988) THIS CONTRACT INCORPORATES ONE OR MORE CLAUSES BY REFERENCE WITH THE SAME FORCE AND EFFECT AS IF THEY WERE GIVEN IN FULL TEXT. UPON REQUEST, THE CONTRACTING OFFICER WILL MAKE FULL TEXT AVAILABLE.		
	FAR/DFAR REF	TITLE	DATE
XX	FAR 52.203-1	OFFICIALS NOT TO BENEFIT	APR 1984
XX	FAR 52.203-3	GRATUITIES	APR 1984
XX	FAR 52.203-5	COVENANT AGAINST CONTINGENT FEES	APR 1984
XX	FAR 52.203-7	ANTI-KICKBACK PROCEDURES	OCT 1988
	FAR 52.210-5	NEW MATERIAL	APR 1984
	FAR 52.210-6	LISTING OF USED OR RECONDITIONED MATERIAL RESIDUAL INVENTORY AND FORMER GOVERNMENT SURPLUS PROPERTY	APR 1984
	FAR 52.210-7	USED OR RECONDITIONED MATERIAL, RESIDUAL INVENTORY AND FORMER GOVERNMENT SURPLUS PROPERTY	APR 1984
	FAR 52.212-7	NOTICE OF PRIORITY RATING FOR NATIONAL DEFENSE	MAY 1986
	FAR 52.212-8	DEFENSE PRIORITY & ALLOCATION REQUIREMENTS	MAY 1986
XX	FAR 52.212-9	VARIATION IN QUANTITY	APR 1984
XX	FAR 52.212-10	DELIVERY OF EXCESS QUANTITIES \$100 OR LESS	SEP 1989
XX	FAR 52.213-2	INVOICES	APR 1984
	FAR 52.213-3	NOTICE TO SUPPLIERS	APR 1984
	FAR 52.219-4	NOTICE OF SMALL BUSINESS-SMALL PURCHASE SET-ASIDE	AUG 1988
XX	FAR 52.222-3	CONVICT LABOR	APR 1984
XX	FAR 52.222-26	EQUAL OPPORTUNITY	APR 1984
	FAR 52.222-40	SERVICE CONTRACT ACT OF 1965 AS AMENDED	MAY 1989
	FAR 52.223-3	CONTRACTS OF \$2,500 OR LESS HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA	DEC 1989
XX	FAR 52.225-3	BUY AMERICAN ACT SUPPLIES	JAN 1989
	FAR 52.225-10	DUTY-FREE ENTRY	APR 1984
XX	FAR 52.232-1	PAYMENTS	APR 1984
	FAR 52.232-8	DISCOUNTS FOR PROMPT PAYMENT	APR 1989
XX	FAR 52.232-25	PROMPT PAYMENT	APR 1989
XX	FAR 52.233-1	DISPUTES	APR 1984
	FAR 52.237-2	PROTECTION OF GOVERNMENT BUILDINGS, EQUIPMENT AND VEGETATION	APR 1984
	FAR 52.237-9	PROCUREMENT INTEGRITY	MAY 1989
XX	FAR 52.246-1	CONTRACTOR INSPECTION REQUIREMENTS	APR 1984
XX	FAR 52.246-16	RESPONSIBILITY FOR SUPPLIES	APR 1984
	FAR 52.247-29	FOB ORIGIN	JUN 1988
	FAR 52.247-32	FOB ORIGIN, FREIGHT PREPAID	JUN 1988
	FAR 52.247-34	FOB DESTINATION	APR 1984
XX	FAR 52.249-1	TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED PRICE) (SHORT FORM)	APR 1984
	FAR 52.249-4	TERMINATION FOR THE CONVENIENCE OF THE GOVERNMENT (SERVICES) (SHORT FORM)	APR 1984
XX	FAR 52.249-8	DEFAULT (FIXED PRICE SUPPLY & SERVICE)	APR 1984
XX	DFAR 52.243-7001	PRICING ADJUSTMENTS	APR 1984

Figure 10-3.--Standard FAR Clause Sheet (Supplies).

# SOP FOR PURCHASING AND CONTRACTING

CONTINUATION SHEET		REFERENCE NO. OF DOCUMENT BEING CONTINUED	PAGE	
NAME OF OFFEROR OR CONTRACTOR				
ITEM NO.	SUPPLIES/SERVICES	QUANTITY	UNIT PRICE	AMOUNT
	FAR 52.252-2 CLAUSES INCORPORATED BY REFERENCE (JUN 1988) THIS CONTRACT INCORPORATES ONE OR MORE CLAUSES BY REFERENCE WITH THE SAME FORCE AND EFFECT AS IF THEY WERE GIVEN IN FULL TEXT. UPON REQUEST, THE CONTRACTING OFFICER WILL MAKE FULL TEXT AVAILABLE.			
	FAR/DFAR REF	TITLE	DATE	
XX	FAR 52.203-1	OFFICIALS NOT TO BENEFIT	APR 1984	
XX	FAR 52.203-3	GRATUITIES	APR 1984	
XX	FAR 52.203-5	COVENANT AGAINST CONTINGENT FEES	APR 1984	
XX	FAR 52.203-7	ANTI-KICKBACK PROCEDURES	OCT 1988	
	FAR 52.210-5	NEW MATERIAL	APR 1984	
	FAR 52.210-6	LISTING OF USED OR RECONDITIONED MATERIAL RESIDUAL INVENTORY AND FORMER GOVERNMENT SURPLUS PROPERTY	APR 1984	
	FAR 52.210-7	USED OR RECONDITIONED MATERIAL, RESIDUAL INVENTORY AND FORMER GOVERNMENT SURPLUS PROPERTY	APR 1984	
	FAR 52.212-7	NOTICE OF PRIORITY RATING FOR NATIONAL DEFENSE	MAY 1986	
	FAR 52.212-8	DEFENSE PRIORITY & ALLOCATION REQUIREMENTS	MAY 1986	
XX	FAR 52.212-9	VARIATION IN QUANTITY	APR 1984	
XX	FAR 52.212-10	DELIVERY OF EXCESS QUANTITIES \$100 OR LESS	SEP 1989	
XX	FAR 52.213-2	INVOICES	APR 1984	
	FAR 52.213-3	NOTICE TO SUPPLIERS	APR 1984	
	FAR 52.219-4	NOTICE OF SMALL BUSINESS-SMALL PURCHASE SET-ASIDE	AUG 1988	
XX	FAR 52.222-3	CONVICT LABOR	APR 1984	
XX	FAR 52.222-26	EQUAL OPPORTUNITY	APR 1984	
XX	FAR 52.222-40	SERVICE CONTRACT ACT OF 1965 AS AMENDED CONTRACTS OF \$2,500 OR LESS	MAY 1989	
	FAR 52.223-3	HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA	DEC 1989	
XX	FAR 52.225-3	BUY AMERICAN ACT SUPPLIES	JAN 1989	
	FAR 52.225-10	DUTY-FREE ENTRY	APR 1984	
	FAR 52.232-1	PAYMENTS	APR 1984	
	FAR 52.232-3	DISCOUNTS FOR PROMPT PAYMENT	APR 1989	
XX	FAR 52.232-25	PROMPT PAYMENT	APR 1989	
XX	FAR 52.233-1	DISPUTES	APR 1984	
	FAR 52.237-2	PROTECTION OF GOVERNMENT BUILDINGS, EQUIPMENT AND VEGETATION	APR 1984	
	FAR 52.237-9	PROCUREMENT INTEGRITY	MAY 1989	
	FAR 52.246-1	CONTRACTOR INSPECTION REQUIREMENTS	APR 1984	
XX	FAR 52.246-16	RESPONSIBILITY FOR SUPPLIES	APR 1984	
	FAR 52.247-29	FOB ORIGIN	JUN 1988	
	FAR 52.247-32	FOB ORIGIN, FREIGHT PREPAID	JUN 1988	
	FAR 52.247-34	FOB DESTINATION	APR 1984	
	FAR 52.249-1	TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED PRICE) (SHORT FORM)	APR 1984	
XX	FAR 52.249-4	TERMINATION FOR THE CONVENIENCE OF THE GOVERNMENT (SERVICES) (SHORT FORM)	APR 1984	
XX	FAR 52.249-8	DEFAULT (FIXED PRICE SUPPLY & SERVICE)	APR 1984	
XX	DFAR 52.243-7001	PRICING ADJUSTMENTS	APR 1984	

\*CLAUSES FOR SERVICE ORDERS

Figure 10-4.--Standard FAR Clause Sheet (Services).



# SOP FOR PURCHASING AND CONTRACTING

<b>ORDER FOR SUPPLIES OR SERVICES</b>						Form Approved OMB No. 0704-0187 Expires Aug 31, 1992	PAGE 1 OF 3																	
Public reporting burden for this collection of information is estimated to average 1 hour per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0187), Washington, DC 20503.																								
1. CONTRACT / PURCH ORDER NO <b>M68479-94-M-0531</b>		2. DELIVERY ORDER NO.		3. DATE OF ORDER <b>09/30/94</b>		4. REQUISITION / PURCH REQUEST NO. <b>M2638194SSA1208</b>																		
5. ISSUED BY CONTRACTING OFFICE MARINE RESERVE FORCE, FMF, USMC 4400 CAUPHINE STREET NEW ORLEANS, LA 70146 Sgt Colegrove (504) 948-5138 <i>15283 FAX</i>		6. CODE <b>M68479</b>		7. ADMINISTERED BY (if other than 6) CODE <b>M26381</b>		8. CERTIFIED FOR NATIONAL DEFENSE UNDER DMS REQ 1 <b>DD C-9E</b>																		
9. CONTRACTOR <b>C &amp; H DISTRIBUTORS 400 S. 5TH STREET MILWAUKEE, WI 53204</b>		10. FACILITY CODE		11. DELIVER TO FOB POINT BY (Date) <b>10/21/94</b>		12. DELIVERY FOB <input type="checkbox"/> DEST <input checked="" type="checkbox"/> OTHER <small>(See Schedule if other)</small>																		
13. NAME AND ADDRESS <b>00000703</b>		14. CONTACT: <b>SUSAN</b> (414) 271-2250		15. DISCOUNT TERMS <b>Net 030</b>		16. MARK IF <input checked="" type="checkbox"/> BUSINESS IS <input type="checkbox"/> SMALL <input type="checkbox"/> SMALL DIS-AD <input type="checkbox"/> VANTAGED <input type="checkbox"/> WOMEN-OWNED																		
17. SHIP TO INSPECTOR - INSTRUCTOR 1ST BN. 25TH MARINES CAMP EDWARDS, MA 01542 SSGT MILLER (508) 968-7156 M68479-94-M-0531		18. CODE <b>M14210</b>		19. PAYMENT WILL BE MADE BY CODE <b>M67443</b>		20. MARK ALL PACKAGES AND PAPERS WITH CONTRACT OR ORDER NUMBER																		
<div style="display: flex; justify-content: space-between;"> <div>                 21. DELIVERY <input type="checkbox"/> This delivery order is issued on and for Government agency or in accordance with and subject to terms and conditions of above numbered contract.                  22. PURCHASE <input checked="" type="checkbox"/> <b>CONFIRMING ORDER</b> PHONECON W/ SUSAN DTD 9-30-94                  ACCEPTANCE: THE CONTRACTOR HEREBY ACCEPTS THE OFFER REPRESENTED BY THE NUMBERED PURCHASE ORDER AS IT MAY PREVIOUSLY HAVE BEEN OR IS NOW MODIFIED, SUBJECT TO ALL OF THE TERMS AND CONDITIONS SET FORTH, AND AGREES TO PERFORM THE SAME.             </div> <div>                 TURN IN THE FOLLOWING ON TERMS SPECIFIED HEREIN:                  1. ORIGINAL COPY                  2. TWO COPIES FOR THE CONTRACTING OFFICE                  3. ONE COPY FOR THE SUPPLIER             </div> </div>																								
23. NAME OF CONTRACTOR _____ SIGNATURE _____ TYPED NAME AND TITLE _____ DATE SIGNED _____ If this box is marked, supplier must sign Acceptance and return the following number of copies:																								
24. ACCOUNTING AND APPROPRIATION DATA / LOCAL USE 1741207.27A0 000 67861 0 068479 2D XAL208 M67861XAL2FLJ1051E95D23A																								
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">25. ITEM NO.</th> <th style="width: 50%;">26. SCHEDULE OF SUPPLIES / SERVICE</th> <th style="width: 10%;">27. QUANTITY ORDERED / ACCEPTED</th> <th style="width: 10%;">28. UNIT</th> <th style="width: 10%;">29. UNIT PRICE</th> <th style="width: 10%;">30. AMOUNT</th> </tr> </thead> <tbody> <tr> <td>0001</td> <td>REFERENCE #2059684 INVOICE WIRE WAREHOUSE STORAGE BINS, 32x20x21, #44-914A</td> <td>40.00</td> <td>EA</td> <td>67.400000</td> <td>2,696.00</td> </tr> <tr> <td>0002</td> <td>BIN PACK SYSTEM PLASTIC RED, #52-197AA</td> <td>2.00</td> <td>EA</td> <td>189.880000</td> <td>379.76</td> </tr> </tbody> </table>							25. ITEM NO.	26. SCHEDULE OF SUPPLIES / SERVICE	27. QUANTITY ORDERED / ACCEPTED	28. UNIT	29. UNIT PRICE	30. AMOUNT	0001	REFERENCE #2059684 INVOICE WIRE WAREHOUSE STORAGE BINS, 32x20x21, #44-914A	40.00	EA	67.400000	2,696.00	0002	BIN PACK SYSTEM PLASTIC RED, #52-197AA	2.00	EA	189.880000	379.76
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0002	BIN PACK SYSTEM PLASTIC RED, #52-197AA	2.00	EA	189.880000	379.76																			
31. If quantity ordered by the Government is same as quantity ordered, indicate by X. If different, enter actual quantity accepted below quantity ordered and enclose. 32. UNITED STATES OF AMERICA BY: <b>R. D. HILLMAN</b> <i>R. D. Hillman</i> CONTRACTING / ORDERING OFFICER 33. TOTAL <b>2,696.00</b> 34. DIFFERENCES																								
35. QUANTITY IN COLUMN 26 HAS BEEN <input checked="" type="checkbox"/> INSPECTED <input type="checkbox"/> RECEIVED <input type="checkbox"/> ACCEPTED AND CONFORMS TO THE CONTRACT EXCEPT AS NOTED 36. SHIP NO. _____ 37. U.O. VOUCHER NO. _____ 38. PAID BY _____ 39. AMOUNT VERIFIED CORRECT FOR _____ 40. SHIP NUMBER _____ 41. BILL OF LADING _____																								
42. I certify this account is correct and a order for payment. 43. DATE _____ SIGNATURE AND TITLE OF CERTIFYING OFFICER _____ 44. PAYMENT <input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL 45. RECEIVED BY _____ 46. DATE RECEIVED _____ 47. CONTAINER NO. _____ 48. TRACKING NUMBER _____ 49. U.O. VOUCHER																								

DD Form 1155, SEP 89

Previous editions are obsolete

CONTRACTOR MUST SUBMIT FOUR COPIES OF INVOICE

Figure 10-5.--Sample DD Form 1155 (Purchase Orders).

# SOP FOR PURCHASING AND CONTRACTING

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>		1. CONTRACT ID CODE <b>J</b>	PAGE OF PAGES <b>1   1</b>
2. AMENDMENT/MODIFICATION NO. <b>P00001</b>	3. EFFECTIVE DATE <b>SEE BLOCK 16C</b>	4. REQUISITION/PURCHASE REQ. NO. <b>AS ASSIGNED PER CALL</b>	5. PROJECT NO. (if applicable)
6. ISSUED BY <b>CONTRACTING OFFICE MARINE RESERVE FORCE 4400 DAUPHINE STREET NEW ORLEANS, LA 70146-5400</b>	CODE <b>M68479</b>	7. ADMINISTERED BY (if other than item 6) <b>SAME AS BLOCK 16.</b>	CODE
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)  <b>MARTI'S ALTERATION 600 DEERFIELD ROAD GREINA, LA 70056</b>		9A. AMENDMENT OF SOLICITATION NO.  <b>(4)</b>	
(504)362-0521		9B. DATED (SEE ITEM 11)  <b>X</b>	
		10A. MODIFICATION OF CONTRACT/ORDER NO. <b>M68479-94-A-0001</b>	
CODE		10B. DATED (SEE ITEM 13) <b>28 OCT 93</b>	
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS			
<input type="checkbox"/> The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of offers <input type="checkbox"/> is extended, <input type="checkbox"/> is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.			
12. ACCOUNTING AND APPROPRIATION DATA (if required) <b>AS ASSIGNED PER CALL</b>			
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.			
VI <input type="checkbox"/> A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A. <b>X</b> B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation data, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b). C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: D. OTHER (Specify type of modification and authority):			
E. IMPORTANT: Contractor <input checked="" type="checkbox"/> is not, <input type="checkbox"/> is required to sign this document and return _____ copies to the issuing office.			
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where relevant.)  <b>MODIFICATION ISSUED TO AFFECT THE FOLLOWING CHANGE(S):</b>  1. PAGE 1, BLOCK 9, CORRECT THE CONTRACTOR'S ADDRESS TO READ AS LISTED IN BLOCK 8 OF THIS MODIFICATION. 2. ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.  <b>BASIS: MODIFICATION ISSUED TO CORRECT THE CONTRACTOR'S ADDRESS.</b>			
EXCEPT AS PROVIDED HEREIN, ALL TERMS AND CONDITIONS OF THE DOCUMENT REFERENCED IN ITEM 9A OR 10A, AS HERETOFORE CHANGED, REMAINS UNCHANGED AND IN FULL FORCE AND EFFECT.			
15A. NAME AND TITLE OF SIGNER (Type or print)  _____ (Signature of person authorized to sign)		15B. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)  <b>L. E. STRICKLAND, CAPT/USMC</b> UNITED STATES OF AMERICA <b>9 OCT 93</b> (Signature of Contracting Officer)	
15B. CONTRACTOR/OFFEROR  _____ (Signature of person authorized to sign)		15C. DATE SIGNED  <b>9 OCT 93</b>	
15D. DATE SIGNED  _____ (Signature of person authorized to sign)		15E. DATE SIGNED  <b>9 OCT 93</b>	

NSN 7540-01-152 8070  
PREVIOUS EDITION UNUSABLE

30-105

STANDARD FORM 30 (REV. 10-83)  
Prescribed by GSA  
FAR 148 CPM 12.243

Figure 10-6.--Sample SF 30 (Administrative Changes).

# SOP FOR PURCHASING AND CONTRACTING

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. CONTRACT ID CODE	PAGE OF PAGES
2. AMENDMENT/MODIFICATION NO. P00001		3. EFFECTIVE DATE <b>SEE BLK 16C</b>	4. REQUISITION/PURCHASE REQ. NO. 16M2638194SSA1235	5. PROJECT NO. (if applicable)
6. ISSUED BY CONTRACTING OFFICE MARINE RESERVE FORCE 4400 DAUPHINE STREET NEW ORLEANS, LA 70146 GYSGT HILLMAN (504)948-1668		CODE M68479	7. ADMINISTERED BY (if other than item 6) SAME AS BLOCK #6	
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) MICROVIDEO LEARNING SYSTEMS, INC. 91 FIFTH AVE SUITE 600 NEW YORK, NY 10003			9A. AMENDMENT OF SOLICITATION NO.	
			9B. DATED (SEE ITEM 11)	
			10A. MODIFICATION OF CONTRACT/ORDER NO. M68479-94-F-0520	
CONTACT: KEN GELLERMAN			10B. DATED (SEE ITEM 13) 94SEP28	
CODE	FACILITY CODE			
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS				
<input type="checkbox"/> The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of Offers <input type="checkbox"/> is extended. <input type="checkbox"/> is not extended. Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.				
12. Accounting and Appropriation Data (if required) 1741107.27AO 000 67861 0 068479 2D XA123526381SSA1235 FIP:M67881A05FL26071H13				
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.				
<input checked="" type="checkbox"/> A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A. <input type="checkbox"/> B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM. PURSUANT TO THE AUTHORITY OF FAR 43.103(b). <input type="checkbox"/> C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: <input checked="" type="checkbox"/> D. OTHER (Specify type of modification and authority) TO COMPLY WITH THE TERMS AND CONDITIONS OF THE GSA CONTRACT				
E. IMPORTANT: Contractor <input checked="" type="checkbox"/> is not. <input type="checkbox"/> is required to sign this document and return _____ copies to the issuing office.				
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.) <b>**THIS MODIFICATION ISSUE TO EFFECT THE FOLLOWING CHANGE(S):**</b> 1. TERMINATE ORDER IN ITS ENTIRETY AT NO COST OF LIABILITY TO EITHER PARTIES. BASIS: MODIFICATION ISSUED TO TERMINATE ORDER IN ACCORDANCE WITH TERMS AND CONDITIONS OF THE GSA CONTRACT. <b>**NOTE TO DISBURSING: DEOBLIGATE FUNDING, REINSTATE COMMITMENT.</b>				
Except as provided herein, all terms and conditions of the document referenced in item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect				
15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF SIGNER (Type or print) L. E. STRICKLAND CONTRACTING OFFICER		
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA BY <i>LE Hillman</i>	16C. DATE SIGNED 13 OCT 94	
(Signature of person authorized to sign)		(Signature of Contracting Officer)		

STANDARD FORM 30 (REV 10-83)  
Prescribed by GSA  
FAR (48 CFR) 53.243

Figure 10-7.--Sample SF 30 (Termination for Convenience).

# SOP FOR PURCHASING AND CONTRACTING

## CHAPTER 11

### ACQUISITION GUIDELINES

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PURPOSE . . . . .	11001	11-3
GOVERNMENT-BUSINESS RELATIONS . . . . .	11002	11-3
SOLE SOURCE JUSTIFICATION . . . . .	11003	11-3
DETAILED DESCRIPTION OF ITEM . . . . .	11004	11-5
DESIRED DELIVERY DATE . . . . .	11005	11-8
REQUIRED DELIVERY DATE . . . . .	11006	11-8

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11-2	SAMPLE OF A PERFORMANCE STANDARD . . . . .	11-11
11-3	SAMPLE OF A DESIGN DESCRIPTION . . . . .	11-12

## **SOP FOR PURCHASING AND CONTRACTING**

### **CHAPTER 11**

#### **ACQUISITION GUIDELINES**

11000. INFORMATION. The most important step in the acquisition process is the preparation of a requisition which clearly and thoroughly describes the material or service required and includes all supplementary information necessary for the Contracting/Purchasing Office to proceed with the acquisition. This involves providing answers to basic questions such as "Who requires How Much of What by When, and Where?" in a prescribed format.

11001. PURPOSE. This chapter has been written for the individual who actually prepares the requisition. If she/he uses it, follows directions, and confers, as necessary, with knowledgeable people in technical and contracting areas, the requisition she/he sends to the Contracting/Purchasing Office will be sufficient to get the process started without any further effort. Contracting lead time will be reduced at the outset; a significant part of overall lead time in Contracting/Purchasing Offices are attributable to time spent obtaining clarifications of technical requirements, supplemental approvals, and justifications from requesting activities. If all units of an organization use this information with the intention of producing clear and complete requisitions, the Contracting/Purchasing Officer will be able to give each unit better service.

11002. GOVERNMENT-BUSINESS RELATIONS. Everyone involved in originating or defining requirements to be satisfied through the contracting process should be aware of the fact that what is discussed with potential or actual contractors has been subject to close scrutiny at high levels in the government. Only formally designated Contracting/Purchasing Officers may commit the government to using appropriated dollars for undertaking, continuing, or changing some work performed by contractors. Apparent commitments by unauthorized individuals, whether military or civilian, complicate and delay the award of a contract, and sometimes preclude it; jeopardize good business relations between the government activity being serviced and the organization, and sometimes result in costly claims against the government. Specific questions regarding what may or may not be discussed with contractors should be directed to contracting personnel prior to initiating any contact with potential contractors.

11003. SOLE SOURCE JUSTIFICATION. Statutory provisions require Contracting Officers to obtain competition in all purchases estimated in excess of \$2,500 (\$1,000 for Minor Contracting (Purchasing) Officers), whether for materials or non-personal services, to the maximum extent practicable. In order for the Contracting/Purchasing Office to limit competition, the justification must support any

contention that only one firm can satisfy the requirement within given time constraints. If it is believed that only one source can satisfy the requirement, write a narrative justifying a limitation of competition, addressing the following points:

1. Supplies

a. A brief description of the intended use or application.

b. The critical or unique features which are mandatory in its intended use or application. The necessity for these features should be clearly stated.

c. A statement that no other known product possesses one or a combination of all of the required critical features. The justification should elaborate on the steps taken which led to the conclusion that only a particular source or product can meet the requirement.

d. The existence of a patent, copyright, or other limiting features.

e. A brief discussion of why the government does not have a specification, and why it cannot write one for this procurement. Discuss also what steps the government is taking or will take to make the next contractual action competitive or, if such action is impossible or inappropriate, explain fully.

f. The above information must be certified as to the accuracy of the facts and representations contained in the request.

2. Non-personal Services. Requisitions representing services as being proprietary to or available from a single source must be accompanied by the following information in order that a determination can be made as to whether only the specific firm(s) cited can satisfy the government's requirement:

a. A brief description of the results anticipated from the services to be obtained.

b. The uniqueness of the proposed contractor's organization and personnel which are considered mandatory to furnish the desired services.

c. An explanation of why the government does not have a work statement or other description of the services required and why one cannot be prepared for this contractual action (if such is the case).

d. A statement regarding whether follow-on contracts are anticipated, and if so, what steps the government is taking or will take to make the next one competitive.

11004. DETAILED DESCRIPTION OF ITEM

1. General. The product received is almost totally dependent on the quality of the specifications or work statement that accompanies the request. It must be clear and precise not only to the requester but also to the buyer who must buy the desired item and to prospective contractors who will bid to supply the item. There are several methods available for defining the requirement:

- a. Military/Federal specification.
- b. Purchase Description.
- c. Work Statement.

2. Military/Federal Specification. Military/Federal Specifications are the preferred method of describing what is required. When material is requested in accordance with Federal or Military specifications, all information called for under "Ordering Data", which is generally found in paragraph 6 of the specification, must be furnished. If the required material conforms only in part to an existing specification, the exact deviation must be stated and the following statement added:

"Except as specifically covered by the (above, below) stated requirements, the material will be in strict accordance with specification (number and date)."

3. Purchase Description

a. If Military/Federal Specifications are not available, a purchase description is used, setting forth the essential physical and functional characteristics of the materials or services required, such as:

- (1) Common nomenclature.
- (2) Kind of material.
- (3) Electrical data, if any.
- (4) Dimensions, size, or capacity.
- (5) Principles of operation.
- (6) Restrictive environmental conditions.
- (7) Intended use, including:
  - (a) Location within an assembly.
  - (b) Essential operating conditions.

(c) Equipment with which the item is to be used.

(d) Other pertinent information that further describes the item, material, or device required.

b. Purchase descriptions should not be written so as to specify a product, or a particular feature of a product peculiar to one manufacturer, thereby precluding consideration of a product manufactured by another company, unless it is determined that the particular feature is essential to the government's requirements and that similar products will not meet minimum requirements for the item.

c. A purchase description may describe requirements in several ways, using performance, design, or "brand name or equal" specifications, as appropriate.

(1) Performance specifications set forth operational characteristics of the required item. In such specifications, design, measurement, and other details are not stated or considered important if the performance requirement is met. The contractor accepts responsibility for design, engineering, and the achievement of the stated performance characteristics.

(2) Design specifications set forth precise measurements, tolerances, materials, tests, quality control, inspection requirements, and other specific information. Under this type of specification, the government is responsible for the design and is therefore also responsible for omissions, errors, and discrepancies in the specifications and drawings.

(3) Brand name or equal specifications are used when, because of technically involved construction or other supportable reasons, an adequate specification of another type cannot be furnished. The item is identified by including names of representative manufacturers' products or brands, followed by the words "or equal" so as not to limit competition to the particular products or brands named. These purchase descriptions must state the minimum essential requirements and specific salient features necessary to meet requirements. If several manufacturers' products will meet the requirements, all such products should be identified. The use of brand name or equal purchase descriptions is limited to procurements of standard commercial products. Furnish catalog numbers, catalog dates, and catalog page numbers applicable to specific products cited.

4. Statement of Work. A work statement is used to describe requirements for services and research and development efforts. It should be as clear and definitive as possible, whether it describes requirements for relatively simple services, such as data entry, or complex analyses and studies.

a. Specific Work Statements. Work statements describing well-defined "jobs" should contain the following:



(1) Scope of Work. Explain the breadth and depth of the effort in general terms. This is usually covered in one brief paragraph, but its brevity does not undermine its importance. During contract performance, a contractor cannot be expected to do anything beyond the scope of the contract. Should a dispute arise, this paragraph will be read critically to determine the intent of the parties to the contract.

(2) Physical Details. State where the work is to be performed (if it matters), what types of facilities or equipment are considered necessary for satisfactory performance (if any), what equipment or information will be furnished by the government (if any) etc. Be specific. The reading businessman should be able to readily determine if, location or lack of certain physical resources would rule him out as a contender for award, and what resources or input he can expect from the government.

(3) Step-by-Step or Other Logical Description of Expected Performance. If it matters how a job is done, then explain, step-by-step, how it should be done. Use phrases such as "The contractor shall do X" as opposed to "The contractor should do X". Use active rather than passive voice to avoid ambiguity. A potential offeror reading the work statement in a solicitation should understand requirements well enough to submit a realistic proposal, and proceed with the work to completion without any other direction or guidance, if he gets the contract. If it only matters that certain things are accomplished, and the "how" can be left to the contractor, then specify all such required accomplishments. For example, "The contractor shall review the drawing for accuracy and completeness" does not tell a contractor HOW to review, but it clearly tells him that a review is required. Depending on the requirements, this part of the work statement may be short or long. Do not be influenced by length: What matters is that it says what needs to be done clearly enough so that a contractor performs satisfactorily with the work statement as his only guide.

(4) Deliverables. Specify all output expected from the contractor's effort.

(a) Required Documentation. This should be enumerated and described. List points that must be covered in "Progress Reports", describe what a "Final Report" should include. Standard Data Item Descriptions can be helpful in this regard and should be used whenever applicable. Determine the number of copies of each document needed and prepare a distribution list for each data-type deliverable. Determine the quality of appearance needed. If color, for example, is important, write this down. If reports must be bound, say so; it may affect the price. Remember, the work statement constitutes a potential offeror's and a contract administrator's total understanding of requirements. It is the requester's responsibility to make it thorough, precise, and clear.

(b) Physical items or conditions. State what is expected: a repaired engine which will measure up to a specified acceptance test, a mowed lawn which is cleared of cut grass, etc.

11005. DESIRED DELIVERY DATE. If appropriate, a desired delivery date may be specified. A desired delivery date is one by which it would be advantageous to receive delivery, but which is not so consequential as to justify the payment of a premium price or the restriction of competition.

11006. REQUIRED DELIVERY DATE. Each requisition must specify a realistic delivery date based on total lead time (requisition, plus administrative, plus production lead time). The delivery date must be an actual date, e.g., 25 June, rather than "ASAP". Lead time is defined as the total time elapsed from the initial formulation of the requirement to actual receipt of the required material or service. This may be further defined as follows:

1. Requisition Lead Time. The time from the initial preparation of a requisition to receipt of a ready requisition (one that contains all necessary justifications and data necessary to initiate the procurement) by the contracting activity.

2. Procurement Administrative Lead Time. The number of calendar days that elapse from receipt of a requisition in the purchasing component to the effective award date of the contract or order. PALT should be considered in planning procurements, especially when expiring funds are involved, to allow the purchasing component sufficient time to obligate funds in a mode which allows for maximum competition in order to obtain the best price and delivery.

3. Product Lead Time. The time from the effective date of the contract to the delivery date specified in the contract.

- a. A required delivery date is one of such importance that meeting it justifies paying a premium. If the required delivery date is such that upon its passing, the urgency of the requirement diminishes (e.g., support for a field exercise), this should be made clear in the requisition. The intended end use should be identified with an estimate of financial loss or extent of failure to carry out the mission, if this date is not met. This background information on urgency may enable the Contracting/Purchasing Officer to negotiate in lieu of formally advertising, regardless of the priority number assigned, and to request approval for the use of overtime premium costs in certain instances.

- b. Unreasonable delivery dates, at best, cost extra money. At worst, vendors will not bid on or will protest a solicitation with

unreasonable delivery dates. In both instances, action is delayed far beyond what would have originally been a reasonable delivery date.

## SOP FOR PURCHASING AND CONTRACTING

### MILITARY/FEDERAL SPECIFICATION

#### A. INCORRECT

1. Asbestos Cloth MIL-I-24244 and SS-C-466  
Qty - 6 rolls
2. Asbestos Cloth, Wire Inserted  
MIL-I-24244 and SS-C-466  
Qty - 6 rolls

#### B. CORRECT

1. Asbestos Cloth, Thermal 6 Rls
2. Asbestos Cloth, Thermal, Wired Inserted Qty 5 rolls

Both Items 1 and 2 above shall conform to Military Specification, Insulation Materials, Thermal with special corrosion and Chloride Requirements, MIL-I-24244 (SHIPS) dated 22 August 1966, and Amendment 2 dated 1 May 1969 thereto.

Item 1 shall conform to Military Specification, Cloth Thread, and Tape; Asbestos, SS-C-466e dated 2 July 1964 and Interim Amendment 1 dated 17 June 1965 thereto. Type 14, Sub-type 14C, Form 1 Grade UG, Style 3, weight per square yard .70, .60 in. width, 50 yds. length; finish: dryweave.

Item 2 shall conform to Military specification SS-C-466e. Type 14. Sub-type 14J, Form 1, Grade AAA-M, Style 7, Except to weigh 2.13 lb. per square yard, 60 in. width, 50 yds. length, finish: dryweave.

Figure 11-1.--Sample of a Military/Federal Specification.

## SOP FOR PURCHASING AND CONTRACTING

### PERFORMANCE

#### A. RESTRICTIVE

Motor, electric, 117VAC, 60 Hz

Single Phase, open Drip proof; 5-1/4 HP; Frame Size 215, Rotation CCW, single shaft ball bearing, Continuous duty, 50 Deg C ambient temperature operation, 1800 RPM Dimensions: 12-1/8" diameter of housing, length 15". Mounting: 4 screws centered on 3-13/32" radius circle, equally spaced. Weight 24 pounds. With 32" connection wire sheathed in CRES 306 Bombay, Inc., protective flexible covering 1/16" thick.

#### B. NON-RESTRICTIVE

Motor, electric, 117VAC, 60 Hz

Single Phase, Open Drip proof; minimum 5 HP; Frame Size 215, Rotation CCW, single shaft ball bearing. Continuous duty, 50 Deg C, ambient temperature operation: 1700-1900 RPM. Maximum Dimensions 2' x 2'. Maximum weight 35 pounds. With at least 30" connection wire, flexible metal sheathered covering at least 1/16" thick.

Figure 11-2.--Sample of Performance Standard.

## SOP FOR PURCHASING AND CONTRACTING

### DESIGN

A. INCORRECT

Hydraulic Actuator, Drawing SS845-2180730

B. CORRECT

Hydraulic Actuator, two position, 180 degrees rotation; 31,000 inch-pounds maximum torque.

NAVSHIPS (BUSHIPS) - Drawing S845-2180730, Revision B (enclosed/attached). If aluminum are used as part of the pressure-containing envelope of the actuator required hereunder, the aluminum alloy shall be alloy 6061-T6 in a mechanically stress-relieved temper. Any use of aluminum alloy 6061-T6 shall have design adequacy verified by stress analysis with a minimum of 50,000 cycles from 3000 psi to 50 psi back to 3000 psi. Three (3) copies of the stress analysis shall be forwarded for approval to:

COMMANDER (KO)  
MARINE FORCES RESERVE  
4400 DAUPHINE STREET  
NEW ORLEANS, LA 70146

CALCULATED COMPRESSIVE OR TENSILE STRESS (USING APPLICABLE STRESS CONCENTRATION FACTORS) IN EXCESS OF 17,000 PSI SHALL BE CAUSE FOR REJECTION OF DESIGN.

If aluminum alloys are used as described above, the alloy shall conform to Aluminum Alloy, Forging, Heat-Treated, Federal Specification QQ-A-367G dated 30 June 1966

Figure 11-3.--Sample of Design Standard.

# **SOP FOR PURCHASING AND CONTRACTING**

## **APPENDIX A**

### **CONTRACT CLAUSES**

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## SOP FOR PURCHASING AND CONTRACTING

### DISPUTES (DEC 1991)

(a) This contract is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. 601-613).

(b) Except as provided in the Act, all disputes arising under or relating to this contract shall be resolved under this clause.

(c) "Claim", as used in this clause, means a written demand or written assertion by one of the contracting parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to this contract. A claim arising under a contract, unlike a claim relating to that contract, is a claim that can be resolved under a contract clause that provides for the relief sought by the claimant. However, a written demand or written assertion by the Contractor seeking the payment of money exceeding \$50,000 is not a claim under the Act until certified as required by subparagraph (d)(2) below. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim under the Act. The submission may be converted to a claim under the Act, by complying with the submission and certification requirements of this clause, if it is disputed either as to liability or amount or is not acted upon in a reasonable time.

(d) (1) A claim by the Contractor shall be made in writing and submitted to the Contracting Officer for a written decision. A claim by the Government against the Contractor shall be subject to a written decision by the Contracting Officer.

(2) For Contractor claims exceeding \$50,000, the Contractor shall submit with the claim a certification that--

- (i) The claim is made in good faith;
- (ii) Supporting data are accurate and complete to the best of the Contractor's knowledge and belief; and
- (iii) The amount requested accurately reflects the contract adjustment for which the Contractor believes the Government is liable.

(3) (i) If the Contractor is an individual, the certification shall be executed by that individual.

Clause A-1, Disputes.



## **SOP FOR PURCHASING AND CONTRACTING**

(ii) If the Contractor is not an individual, the certification shall be executed by--

(A) A senior company official in charge at the contractor's plant or location involved; or

(B) An officer or general partner of the Contractor having overall responsibility for the conduct of the Contractor's affairs.

(e) For Contractor claims of \$50,000 or less, the Contracting Officer must, if requested in writing by the Contractor, render a decision within 60 days of the request. For Contractor-certified claims over \$50,000, the Contracting Officer must, within 60 days, decide the claim or notify the Contractor of the date by which the decision will be made.

(f) The Contracting Officer's decision shall be final unless the Contractor appeals or files a suit as provided in the Act.

(g) At the time a claim by the Contractor is submitted to the Contracting Officer or a claim by the Government is presented to the Contractor, the parties, by mutual consent, may agree to use alternative means of dispute resolution. When using alternate dispute resolution procedures, any claim, regardless of amount, shall be accompanied by the certification described in paragraph (d)(2) of this clause, and executed in accordance with paragraph (d)(3) of this clause.

(h) The Government shall pay interest on the amount found due and unpaid from (1) the date the Contracting Officer receives the claim (properly certified if required), or (2) the date payment otherwise would be due, if that date is later, until the date of payment. Simple interest on claims shall be paid at the rate, fixed by the Secretary of the Treasury as provided in the Act, which is applicable to the period during which the Contracting Officer receives the claim and then at the rate applicable for each 6-month period as fixed by the Treasury Secretary during the pendency of the claim.

(i) The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under the contract, and comply with any decision of the Contracting Officer.

(End of clause)

Clause A-1, Disputes--Continued.

## **SOP FOR PURCHASING AND CONTRACTING**

### SERVICE CONTRACT ACT OF 1965, AS AMENDED--CONTRACTS OF \$2,500 OR LESS (MAY 1989)

Except to the extent that an exemption, variation, or tolerance would apply if this contract were in excess of \$2,500, the Contractor and any subcontractor shall pay all employees working on the contract not less than the minimum wage specified under section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 201-206). Regulations and interpretations of the Service Contract Act of 1965, as amended, are contained in 29 CFR Part 4.

(End of clause)

Clause A-2, Service Contract Act.

## **SOP FOR PURCHASING AND CONTRACTING**

### **UTILIZATION OF SMALL BUSINESS CONCERNS AND SMALL DISADVANTAGED BUSINESS CONCERNS (FEB 1990)**

(a) It is the policy of the United States that small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals shall have the maximum practicable opportunity to participate in performing contracts let by any Federal agency, including contracts and subcontracts for subsystems, assemblies, components, and related services for major systems. It is further the policy of the United States that its prime contractors establish procedures to ensure the timely payment of amounts due pursuant to the terms of their subcontracts with small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals.

(b) The Contractor hereby agrees to carry out this policy in the awarding of subcontracts to the fullest extent consistent with efficient contract performance. The Contractor further agrees to cooperate in any studies or surveys as may be conducted by the United States Small Business Administration or the awarding agency of the United States as may be necessary to determine the extent of the Contractor's compliance with this clause.

(c) As used in this contract, the term "small business concern" shall mean a small business as defined pursuant to section 3 of the Small Business Act and relevant regulations promulgated pursuant thereto. The term "small business concern owned and controlled by socially and economically disadvantaged individuals" shall mean a small business concern--

(1) which is at least 51 percent unconditionally owned by one or more socially and economically disadvantaged individuals; or, in the case of any publicly owned business, at least 51 per centum of the stock of which is unconditionally owned by one or more socially and economically disadvantaged individuals; and

(2) whose management and daily business operations are controlled by one or more of such individuals. This term also means a small business concern that is at least 51 percent unconditionally owned by an economically disadvantaged Indian tribe or Native Hawaiian Organization, or a publicly owned business having at least 51 percent of its stock unconditionally owned by one of these entities which has its management and daily business controlled by members of an economically disadvantaged Indian tribe or Native Hawaiian Organization, and which meets the requirements of 13 CFR 124. The Contractor shall presume that socially and economically disadvantaged individuals include Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Subcontinent Asian Americans, and other minorities,

Clause A-3, Utilization of Small Business Concerns.

## **SOP FOR PURCHASING AND CONTRACTING**

or any other individual found to be disadvantaged by the Administration pursuant to section 8(a) of the Small Business Act. The Contractor shall presume that socially and economically disadvantaged entities also include Indian Tribes and Native Hawaiian Organizations.

(d) Contractors acting in good faith may rely on written representations by their subcontractors regarding their status as either a small business concern or a small business concern owned and controlled by socially and economically disadvantaged individuals.

(End of clause)

Clause A-3, Utilization of Small Business Concerns--Continued.

## **SOP FOR PURCHASING AND CONTRACTING**

### **CONTRACT WORK HOURS AND SAFETY STANDARDS** **ACT--OVERTIME COMPENSATION (MAR 1986)**

This contract, to the extent that it is of a character specified in the Contract Work Hours and Safety Act (40 U.S.C. 327-330), is subject to the following provisions and to all other applicable provisions and exceptions of such Act and the regulations of the Secretary of Labor thereunder.

(a) Overtime requirements. No Contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics (see Federal Acquisition Regulation (FAR) 22.300) shall require or permit any such laborers or mechanics in any workweek in which the individual is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than 1 1/2 times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.

(b) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the provisions set forth in paragraph (a) of this clause, the Contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such Contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic employed in violation of the provisions set forth in paragraph (a) of this clause in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by provisions set forth in paragraph (a) of this clause.

(c) Withholding for unpaid wages and liquidated damages. The Contracting Officer shall upon his or her own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the Contractor or subcontractor under any such contract or any other Federal contract with the same Prime Contractor, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act which is held by the same Prime Contractor, such sums as may be determined to be necessary to satisfy any liabilities of such Contractor or subcontract or for unpaid wages and liquidated damages as provided in the provisions set forth in paragraph (b) of this clause.

Clause A-4, Contract Work Hours and Safety Standards  
Act--Overtime Compensation.

## **SOP FOR PURCHASING AND CONTRACTING**

### **(d) Payrolls and basic records**

(1) The Contractor or subcontractor shall maintain payrolls and basic payroll records during the course of contract work and shall preserve them for a period of 3 years from the completion of the contract for all laborers and mechanics working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Nothing in this paragraph shall require the duplication of records required to be maintained for construction work by Department of Labor regulations at 29 CFR 5.5(a)(3) implementing the Davis-Bacon Act.

(2) The records to be maintained under paragraph (d)(1) of this clause shall be made available by the Contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the Contracting Officer or the Department of Labor. The Contractor or subcontractor shall permit such representatives to interview employees during working hours on the job.

(e) Subcontracts. The Contractor or subcontractor shall insert in any subcontracts the provisions set forth in paragraphs (a) through (e) of this clause and also a clause requiring the subcontractors to include these provisions in any lower tier subcontracts. The Prime Contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the provisions set forth in paragraphs (a) through (e) of this clause.

(End of clause)

## **SOP FOR PURCHASING AND CONTRACTING**

### **WALSH-HEALEY PUBLIC CONTRACTS ACT (APR 1984)**

If this contract is for the manufacture or furnishing of materials, supplies, articles or equipment in an amount that exceeds or may exceed \$10,000, and is subject to the Walsh-Healey Public Contracts Act, as amended (41 U.S.C. 35-45), the following terms and conditions apply:

(a) All representations and stipulations required by the Act and regulations issued by the Secretary of Labor (41 CFR Chapter 50) are incorporated by reference. These representations and stipulations are subject to all applicable rulings and interpretations of the Secretary of Labor that are now, or may hereafter, be in effect.

(b) All employees whose work relates to this contract shall be paid not less than the minimum wage prescribed by regulations issued by the Secretary of Labor (41 CFR 50-202.2). Learners, student learners, apprentices, and handicapped workers may be employed at less than the prescribed minimum wage (see 41 CFR 50-202.3) to the same extent that such employment is permitted under Section 14 of the Fair Labor Standards Act (41 U.S.C. 40).

(End of clause)

Clause A-5, Walsh-Healey Public Contracts Act.

## **SOP FOR PURCHASING AND CONTRACTING**

### **EQUAL OPPORTUNITY (APR 1984)**

(a) If, during any 12-month period (including the 12 months preceding the award of this contract), the Contractor has been or is awarded nonexempt Federal contracts and/or subcontracts that have an aggregate value in excess of \$10,000, the Contractor shall comply with subparagraphs (b) (1) through (11) below. Upon request, the Contractor shall provide information necessary to determine the applicability of this clause.

(b) During performing this contract, the Contractor agrees as follows:

(1) The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.

(2) The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. This shall include, but not be limited to, (i) employment, (ii) upgrading, (iii) demotion, (iv) transfer, (v) recruitment or recruitment advertising, (vi) layoff or termination, (vii) rates of pay or other forms of compensation, and (viii) selection for training, including apprenticeship.

(3) The Contractor shall post in conspicuous places available to employees and applicants for employment the notices to be provided by the Contracting Officer that explain this clause.

(4) The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(5) The Contractor shall send, to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, the notice to be provided by the Contracting Officer advising the labor union or workers' representative of the Contractor's commitments under this clause, and post copies of the notice in conspicuous places available to employees and applicants for employment.

(6) The Contractor shall comply with Executive Order 11246, as amended, and the rules, regulations, and orders of the Secretary of Labor.

Clause A-6, Equal Opportunity.



## **SOP FOR PURCHASING AND CONTRACTING**

(7) The Contractor shall furnish to the contracting agency all information required by Executive Order 11246, as amended, and by the rules, regulations, and orders of the Secretary of Labor. Standard Form 100 (EEO-1), or any successor form, is the prescribed form to be filed within 30 days following the award, unless filed within 12 months preceding the date of award.

(8) The Contractor shall permit access to its books, records, and accounts by the contracting agency or the Office of Federal Contract Compliance Programs (OFCCP) for the purposes of investigation to ascertain the Contractor's compliance with the applicable rules, regulations, and orders.

(9) If the OFCCP determines that the Contractor is not in compliance with this clause or any rule, regulation, or order of the Secretary of Labor, this contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts, under the procedures authorized in Executive Order 11246, as amended. In addition, sanctions may be imposed and remedies invoked against the Contractor as provided in Executive Order 11246, as amended, the rules, regulations, and orders of the Secretary of Labor, or as otherwise provided by law.

(10) The Contractor shall include the terms and conditions of subparagraph (b)(1) through (11) of this clause in every subcontract or purchase order that is not exempted by the rules, regulations, or orders of the Secretary of Labor issued under Executive Order 11246, as amended, so that these terms and conditions will be binding upon each subcontractor or vendor.

(11) The Contractor shall take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing these terms and conditions, including sanctions for noncompliance; provided, that if the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of any direction, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

(c) Notwithstanding any other clause in this contract, disputes relative to this clause will be governed by the procedures in 41 CFR 60-1.1.

(End of clause)

Clause A-6, Equal Opportunity--Continued.

## **SOP FOR PURCHASING AND CONTRACTING**

### **AFFIRMATIVE ACTION FOR SPECIAL DISABLED AND VIETNAM ERA VETERANS (APR 1984)**

#### **(a) Definitions**

"Appropriate office of the State employment service system," as used in this clause, means the local office of the Federal-State national system of public employment offices assigned to serve the area where the employment opening is to be filled, including the District of Columbia, Guam, Puerto Rico, Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands.

"Openings that the Contractor proposes to fill from within its own organization," as used in this clause, means employment openings for which no one outside the Contractor's organization (including any affiliates, subsidiaries, and the parent companies) will be considered and includes any openings that the Contractor proposes to fill from regularly established "recall" lists.

"Openings that the Contractor proposes to fill under a customary and traditional employer-union hiring arrangement," as used in this clause, means employment openings that the Contractor proposes to fill from union halls, under their customary and traditional employer-union hiring relationship.

"Suitable employment openings," as used in this clause-

- (1) Includes, but is not limited to, openings that occur in jobs categorized as--
  - (i) Production and nonproduction;
  - (ii) Plant and office;
  - (iii) Laborers and mechanics;
  - (iv) Supervisory and nonsupervisory;
  - (v) Technical; and
  - (vi) Executive, administrative, and professional positions compensated on a salary basis of less than \$25,000 a year; and
- (2) Includes full-time employment, temporary employment of

Clause A-7, Affirmative Action for Special Disabled and  
Vietnam Era Veterans.

## SOP FOR PURCHASING AND CONTRACTING

over 3 days, and part-time employment, but not openings that the Contractor proposes to fill from within its own organization or under a customary and traditional employer-union hiring arrangement, nor openings in an educational institution that are restricted to students of that institution.

### (b) General

- (1) Regarding any position for which the employee or applicant for employment is qualified, the Contractor shall not discriminate against the individual because the individual is a special disabled or Vietnam Era veteran. The Contractor agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified special disabled and Vietnam Era veterans without discrimination based upon their disability or veterans' status in all employment practices such as--

- (i) Employment;
- (ii) Upgrading;
- (iii) Demotion or transfer;
- (iv) Recruitment;
- (v) Advertising;
- (vi) Layoff or termination;
- (vii) Rates of pay or other forms of compensation;  
and
- (viii) Selection for training, including apprenticeship.

- (2) The Contractor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor (Secretary) issued under the Vietnam Era Veterans' Readjustment Assistance Act of 1972 (the Act), as amended.

### (c) Listing openings

- (1) The Contractor agrees to list all suitable employment

Clause A-7, Affirmative Action for Special Disabled and Vietnam Era Veterans--Continued.

## SOP FOR PURCHASING AND CONTRACTING

openings existing at contract award or occurring during contract performance, at an appropriate office of the State employment service system in the locality where the opening occurs. These openings include those occurring at any Contractor facility, including one not connected with performing this contract. An independent corporate affiliate is exempt from this requirement.

- (2) State and local government agencies holding Federal contracts of \$10,000 or more shall also list all their suitable openings with the appropriate office of the State employment service.
- (3) The listing of suitable employment openings with the State employment service system is required at least concurrently with using any other recruitment source or effort and involves the obligations of placing a bona fide job order, including accepting referrals of veterans and nonveterans. This listing does not require hiring any particular job applicant or hiring from any particular group of job applicants and is not intended to relieve the Contractor from any requirements of Executive orders or regulations concerning nondiscrimination in employment.
- (4) Whenever the Contractor becomes contractually bound to the listing terms of this clause, it shall advise the State employment service system, in each State where it has establishments, of the name and location of each hiring location in the State. As long as the Contractor is contractually bound to these terms and has so advised the State system, it need not advise the State system of subsequent contracts. The Contractor may advise the State system when it is no longer bound by this contract clause.
- (5) Under the most compelling circumstances, an employment opening may not be suitable for listing, including situations when (i) the Government's needs cannot reasonably be supplied, (ii) listing would be contrary to national security, or (iii) the requirement of listing would not be in the Government's interest.

### (d) Applicability

- (1) This clause does not apply to the listing of employment openings which occur and are filled outside the 50

Clause A-7, Affirmative Action for Special Disabled and Vietnam Era Veterans--Continued.

## SOP FOR PURCHASING AND CONTRACTING

States, the District of Columbia, Puerto Rico, Guam, Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands.

- (2) The terms of paragraph (c) above of this clause do not apply to openings that the Contractor proposes to fill from within its own organization or under a customary and traditional employer-union hiring arrangement. This exclusion does not apply to a particular opening once an employer decides to consider applicants outside of its own organization or employer-union arrangement for that opening.

### (e) Postings

- (1) The Contractor agrees to post employment notices stating (i) the Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified special disabled veterans and veterans of the Vietnam era, and (ii) the rights of applicants and employees.
- (2) These notices shall be posted in conspicuous places that are available to employees and applicants for employment. They shall be in a form prescribed by the Director, Office of Federal Contract Compliance Programs, Department of Labor (Director), and provided by or through the Contracting Officer.
- (3) The Contractor shall notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the Contractor is bound by the terms of the Act, and is committed to take affirmative action to employ, and advance in employment, qualified special disabled and Vietnam Era veterans.

(f) Noncompliance. If the Contractor does not comply with the requirements of this clause, appropriate actions may be taken under the rules, regulations, and relevant orders of the Secretary issued pursuant to the Act.

(g) Subcontracts. The Contractor shall include the terms of this clause in every subcontract or purchase order of \$10,000 or more unless exempted by rules, regulations, or orders of the Secretary. The Contractor shall act as specified by the Director to enforce the terms, including action for noncompliance.

(End of clause)

Clause A-7, Affirmative Action for Special Disabled and Vietnam Era Veterans--Continued.

## **SOP FOR PURCHASING AND CONTRACTING**

### AFFIRMATIVE ACTION FOR HANDICAPPED WORKERS (APR 1984)

#### **(a) General**

(1) Regarding any position for which the employee or applicant for employment is qualified, the Contractor shall not discriminate against any employee or applicant because of physical or mental handicap. The Contractor agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices such as--

- (i) Employment;
- (ii) Upgrading;
- (iii) Demotion or transfer;
- (iv) Recruitment;
- (v) Advertising;
- (vi) Layoff or termination;
- (vii) Rates of pay or other forms of compensation;  
and
- (viii) Selection for training, including  
apprenticeship.

(2) The Contractor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor (Secretary) issued under the Rehabilitation Act of 1973 (29 U.S.C. 793) (the Act), as amended.

#### **(b) Postings**

(1) The Contractor agrees to post employment notices stating (i) the Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified handicapped individuals and (ii) the rights of applicants and employees.

(2) These notices shall be posted in conspicuous places that are available to employees and applicants for employment. They shall be in a form prescribed by the Director, Office of Federal Contract Compliance Programs, Department of Labor (Director), and provided by or through the Contracting Officer.

Clause A-8, Affirmative Action for Handicapped Workers.

## SOP FOR PURCHASING AND CONTRACTING

(3) The Contractor shall notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the Contractor is bound by the terms of Section 503 of the Act and is committed to take affirmative action to employ, and advance in employment, qualified physically and mentally handicapped individuals.

(c) Noncompliance. If the Contractor does not comply with the requirements of this clause, appropriate actions may be taken under the rules, regulations, and relevant orders of the Secretary issued pursuant to the Act.

(d) Subcontracts. The Contractor shall include the terms of this clause in every subcontract or purchase order in excess of \$2,500 unless exempted by rules, regulations, or orders of the Secretary. The Contractor shall act as specified by the Director to enforce the terms, including action for noncompliance.

(End of clause)

Clause A-8, Affirmative Action for Handicapped Workers--Continued.

## **SOP FOR PURCHASING AND CONTRACTING**

### SERVICE CONTRACT ACT OF 1965, AS AMENDED (MAY 1989)

#### (a) Definitions

"Act," as used in this clause, means the Service Contract Act of 1965, as amended (41 U.S.C. 351, et seq.).

"Contractor," as used in this clause or in any subcontract, shall be deemed to refer to the subcontractor, except in the term "Government Prime Contractor."

"Service employee," as used in this clause, means any person engaged in the performance of this contract other than any person employed in a bonafide executive, administrative, or professional capacity, as these terms are defined in Part 541 of Title 29, Code of Federal Regulations, as revised. It includes all such persons regardless of any contractual relationship that may be alleged to exist between a Contractor or subcontractor and such persons.

(b) Applicability. This contract is subject to the following provisions and to all other applicable provisions of the Act and regulations of the Secretary of Labor (29 CFR Part 4). This clause does not apply to contracts or subcontracts administratively exempted by the Secretary of Labor or exempted by 41 U.S.C. 356, as interpreted in Subpart C of 29 CFR Part 4.

#### (c) Compensation

(1) Each service employee employed in the performance of this contract by the Contractor or any subcontractor shall be paid not less than the minimum monetary wages and shall be furnished fringe benefits in accordance with the wages and fringe benefits determined by the Secretary of Labor, or authorized representative, as specified in any wage determination attached to this contract.

(2) (i) If a wage determination is attached to this contract, the Contractor shall classify any class of service employee which is not listed therein and which is to be employed under the contract (i.e., the work to be performed is not performed by any classification listed in the wage determination) so as to provide a reasonable relationship (i.e., appropriate level of skill comparison) between such unlisted classifications and the classifications listed in the wage determination. Such conformed class of employees shall be paid the monetary wages and furnished the fringe benefits as are determined pursuant to the procedures in this paragraph (c).

(ii) This conforming procedure shall be initiated by the Contractor prior to the performance of contract work by the unlisted class of employee. The Contractor shall submit Standard Form (SF)

Clause A-9, Service Contract Act (Services).



## SOP FOR PURCHASING AND CONTRACTING

1444, Request For Authorization of Additional Classification and Rate, to the Contracting Officer no later than 30 days after the unlisted class of employee performs any contract work. The Contracting Officer shall review the proposed classification and rate and promptly submit the completed SF 1444 (which must include information regarding the agreement or disagreement of the employees' authorized representatives or the employees themselves together with the agency recommendation), and all pertinent information to the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor. The Wage and Hour Division will approve, modify, or disapprove the action or render a final determination in the event of disagreement within 30 days of receipt or will notify the Contracting Officer within 30 days of receipt that additional time is necessary.

(iii) The final determination of the conformance action by the Wage and Hour Division shall be transmitted to the Contracting Officer who shall promptly notify the Contractor of the action taken. Each affected employee shall be furnished by the Contractor with a written copy of such determination or it shall be posted as a part of the wage determination.

(iv) (A) The process of establishing wage and fringe benefit rates that bear a reasonable relationship to those listed in a wage determination cannot be reduced to any single formula. The approach used may vary from wage determination to wage determination depending on the circumstances. Standard wage and salary administration practices which rank various job classifications by pay grade pursuant to point schemes or other job factors may, for example, be relied upon. Guidance may also be obtained from the way different jobs are rated under Federal pay systems (Federal Wage Board Pay System and the General Schedule) or from other wage determinations issued in the same locality. Basic to the establishment of any conformable wage rate(s) is the concept that a pay relationship should be maintained between job classifications based on the skill required and the duties performed.

(B) In the case of a contract modification, an exercise of an option, or extension of an existing contract, or in any other case where a Contractor succeeds a contract under which the classification in question was previously conformed pursuant to paragraph (c) of this clause, a new conformed wage rate and fringe benefits may be assigned to the conformed classification by indexing (i.e., adjusting) the previous conformed rate and fringe benefits by an amount equal to the average (mean) percentage increase (or decrease, where appropriate) between the wages and fringe benefits specified for all classifications to be used on the contract which are listed in the current wage determination, and those specified for the corresponding classifications in the previously applicable wage

Clause A-9, Service Contract Act (Services)--Continued.

## **SOP FOR PURCHASING AND CONTRACTING**

determination. Where conforming actions are accomplished in accordance with this paragraph prior to the performance of contract work by the unlisted class of employees, the Contractor shall advise the Contracting Officer of the action taken but the other procedures in subdivision (c)(2)(ii) of this clause need not be followed.

(C) No employee engaged in performing work on this contract shall in any event be paid less than the currently applicable minimum wage specified under section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended.

(v) The wage rate and fringe benefits finally determined under this subparagraph (c)(2) of this clause shall be paid to all employees performing in the classification from the first day on which contract work is performed by them in the classification. Failure to pay the unlisted employees the compensation agreed upon by the interested parties and/or finally determined by the Wage and Hour Division retroactive, to the date such class of employees commenced contract work shall be a violation of the Act and this contract.

(vi) Upon discovery of failure to comply with subparagraph (c)(2) of this clause, the Wage and Hour Division shall make a final determination of conformed classification, wage rate, and/or fringe benefits which shall be retroactive to the date such class or classes of employees commenced contract work.

(3) Adjustment of Compensation. If the term of this contract is more than 1 year, the minimum monetary wages and fringe benefits required to be paid or furnished thereunder to service employees under this contract shall be subject to adjustment after 1 year and not less often than once every 2 years, under wage determinations issued by the Wage and Hour Division.

(d) Obligation to Furnish Fringe Benefits. The Contractor or subcontractor may discharge the obligation to furnish fringe benefits specified in the attachment or determined under subparagraph (c)(2) of this clause by furnishing equivalent combinations of bona fide fringe benefits, or by making equivalent or differential cash payments, only in accordance with Subpart D of 29 CFR Part 4.

(e) Minimum Wage. In the absence of a minimum wage attachment for this contract, neither the Contractor nor any subcontractor under this contract shall pay any person performing work under this contract (regardless of whether the person is a service employee) less than the minimum wage specified by section 6(a)(1) of the Fair Labor Standards Act of 1938. Nothing in this clause shall relieve the Contractor or any subcontractor of any other obligation under law or contract for payment of a higher wage to any employee.

Clause A-9, Service Contract Act (Services)--Continued.

## SOP FOR PURCHASING AND CONTRACTING

(f) Successor Contracts. If this contract succeeds a contract subject to the Act under which substantially the same services were furnished in the same locality and service employees were paid wages and fringe benefits provided for in a collective bargaining agreement, in the absence of the minimum wage attachment for this contract setting forth such collectively bargained wage rates and fringe benefits, neither the Contractor nor any subcontractor under this contract shall pay any service employee performing any of the contract work (regardless of whether or not such employee was employed under the predecessor contract), less than the wages and fringe benefits provided for in such collective bargaining agreement, to which such employee would have been entitled if employed under the predecessor contract, including accrued wages and fringe benefits and any prospective increases in wages and fringe benefits provided for under such agreement. No Contractor or subcontractor under this contract may be relieved of the foregoing obligation unless the limitations of 29 CFR 4.1b(b) apply or unless the Secretary of Labor or the Secretary's authorized representative finds, after a hearing as provided in 29 CFR 4.10 that the wages and/or fringe benefits provided for in such agreement are substantially at variance with those which prevail for services of a character similar in the locality, or determines, as provided in 29 CFR 4.11, that the collective bargaining agreement applicable to service employees employed under the predecessor contract was not entered into as a result of arm's length negotiations. Where it is found in accordance with the review procedures provided in 29 CFR 4.10 and/or 4.11 and Parts 6 and 8 that some or all of the wages and/or fringe benefits contained in a predecessor Contractor's collective bargaining agreement are substantially at variance with those which prevail for services of a character similar in the locality, and/or that the collective bargaining agreement applicable to service employees employed under the predecessor contract was not entered into as a result of arm's length negotiations, the Department will issue a new or revised wage determination setting forth the applicable wage rates and fringe benefits. Such determination shall be made part of the contractor subcontract, in accordance with the decision of the Administrator, the Administrative Law Judge, or the Board of Service Contract Appeals, as the case may be, irrespective of whether such issuance occurs prior to or after the award of a contract or subcontract (53 Comp. Gen. 401 (1973)). In the case of a wage determination issued solely as a result of a finding of substantial variance, such determination shall be effective as of the date of the final administrative decision.

(g) Notification to Employees. The Contractor and any subcontractor under this contract shall notify each service employee commencing work on this contract of the minimum monetary wage and any fringe benefits required to be paid pursuant to this contract, or shall post the wage determination attached to this contract. The poster provided by the Department of Labor (Publication WH 1313) shall

Clause A-9, Service Contract Act (Services)--Continued.

## SOP FOR PURCHASING AND CONTRACTING

be posted in a prominent and accessible place at the worksite. Failure to comply with this requirement is a violation of section 2(a)(4) of the Act and of this contract.

(h) Safe and Sanitary Working Conditions. The Contractor or subcontractor shall not permit any part of the services called for by this contract to be performed in buildings or surroundings or under working conditions provided by or under the control or supervision of the Contractor or subcontractor which are unsanitary, hazardous, or dangerous to the health or safety of the service employees. The Contractor or subcontractor shall comply with the safety and health standards applied under 29 CFR Part 1925.

### (i) Records

(1) The Contractor and each subcontractor performing work subject to the Act shall make and maintain for 3 years from the completion of the work, and make them available for inspection and transcription by authorized representatives of the Wage and Hour Division, Employment Standards Administration, a record of the following:

(i) For each employee subject to the Act--

- (A) Name and address and social security number;
- (B) Correct work classification or classifications, rate or rates of monetary wages paid and fringe benefits provided, rate or rates of payments in lieu of fringe benefits, and total daily and weekly compensation;
- (C) Daily and weekly hours worked by each employee; and
- (D) Any deductions, rebates, or refunds from the total daily or weekly compensation of each employee.

(ii) For those classes of service employees not included in any wage determination attached to this contract, wage rates or fringe benefits determined by the interested parties or by the Administrator or authorized representative under the terms of paragraph (c) of this clause. A copy of the report required by subdivision (c)(2)(ii) of this clause will fulfill this requirement.

(iii) Any list of the predecessor Contractor's employees which had been furnished to the Contractor as prescribed by paragraph (n) of this clause.

Clause A-9, Service Contract Act (Services)--Continued.

## SOP FOR PURCHASING AND CONTRACTING

(2) The Contractor shall also make available a copy of this contract for inspection or transcription by authorized representatives of the Wage and Hour Division.

(3) Failure to make and maintain or to make available these records for inspection and transcription shall be a violation of the regulations and this contract, and in the case of failure to produce these records, the Contracting Officer, upon direction of the Department of Labor and notification to the Contractor, shall take action to cause suspension of any further payment or advance of funds until the violation ceases.

(4) The Contractor shall permit authorized representatives of the Wage and Hour Division to conduct interviews with employees at the worksite during normal working hours.

(j) Pay Periods. The Contractor shall unconditionally pay to each employee subject to the Act all wages due free and clear and without subsequent deduction (except as otherwise provided by law or Regulations, 29 CFR Part 4), rebate, or kickback on any account. These payments shall be made no later than one pay period following the end of the regular pay period in which the wages were earned or accrued. A pay period under this Act may not be of any duration longer than semi-monthly.

(k) Withholding of Payments and Termination of Contract. The Contracting Officer shall withhold or cause to be withheld from the Government Prime Contractor under this or any other Government contract with the Prime Contractor such sums as an appropriate official of the Department of Labor requests or such sums as the Contracting Officer decides may be necessary to pay underpaid employees employed by the Contractor or subcontractor. In the event of failure to pay any employees subject to the Act all or part of the wages or fringe benefits due under the Act, the Contracting Officer may, after authorization or by direction of the Department of Labor and written notification to the Contractor, take action to cause suspension of any further payment or advance of funds until such violations have ceased. Additionally, any failure to comply with the requirements of this clause may be grounds for termination of the right to proceed with the contract work. In such event, the Government may enter into other contracts or arrangements for completion of the work, charging the Contractor in default with any additional cost.

(l) Subcontracts. The Contractor agrees to insert this clause in all subcontracts subject to the Act.

(m) Collective Bargaining Agreements Applicable to Service Employees. If wages to be paid or fringe benefits to be furnished any

Clause A-9, Service Contract Act (Services)--Continued.

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service employees employed by the Government Prime Contractor or any subcontractor under the contract are provided for in a collective bargaining agreement which is or will be effective during any period in which the contract is being performed, the Government Prime Contractor shall report such fact to the Contracting Officer, together with full information as to the application and accrual of such wages and fringe benefits, including any prospective increases, to service employees engaged in work on the contract, and a copy of the collective bargaining agreement. Such report shall be made upon commencing performance of the contract, in the case of collective bargaining agreements effective at such time, and in the case of such agreements or provisions or amendments thereof effective at a later time during the period of contract performance such agreements shall be reported promptly after negotiation thereof.

(n) Seniority List. Not less than 10 days prior to completion of any contract being performed at a Federal facility where service employees maybe retained in the performance of the succeeding contract and subject to a wage determination which contains vacation or other benefit provisions based upon length of service with a Contractor (predecessor) or successor (29 CFR 4.173), the incumbent Prime Contractor shall furnish the Contracting Officer a certified list of the names of all service employees on the Contractor's or subcontractor's payroll during the last month of contract performance. Such list shall also contain anniversary dates of employment on the contract either with the current or predecessor Contractors of each such service employee. The Contracting Officer shall turn over such list to the successor Contractor at the commencement of the succeeding contract.

(o) Rulings and Interpretations. Rulings and interpretations of the Act are contained in Regulations, 29 CFR Part 4.

(p) Contractor's Certification

(1) By entering into this contract, the Contractor (and officials thereof) certifies that neither it (nor he or she) nor any person or firm who has a substantial interest in the Contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of the sanctions imposed under section 5 of the Act.

(2) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract under section 5 of the Act.

(3) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

Clause A-9, Service Contract Act (Services)--Continued.

## SOP FOR PURCHASING AND CONTRACTING

(q) Variations, Tolerances, and Exemptions Involving Employment. Notwithstanding any of the provisions in paragraphs (b) through (o) of this clause, the following employees may be employed in accordance with the following variations, tolerances, and exemptions, which the Secretary of Labor, pursuant to section 4(b) of the Act prior to its amendment by Pub. L. 92-473, found to be necessary and proper in the public interest or to avoid serious impairment of the conduct of Government business:

(1) Apprentices, student-learners, and workers whose earning capacity is impaired by age, physical or mental deficiency, or injury may be employed at wages lower than the minimum wages otherwise required by section 2(a)(1) or 2(b)(1) of the Act without diminishing any fringe benefits or cash payments in lieu thereof required under section 2(a)(2) of the Act, in accordance with the conditions and procedures prescribed for the employment of apprentices, student-learners, handicapped persons, and handicapped clients of sheltered workshops under section 14 of the Fair Labor Standards Act of 1938, in the regulations issued by the Administrator (29 CFR Parts 520, 521, 524, and 525).

(2) The Administrator will issue certificates under the Act for the employment of apprentices, student-learners, handicapped persons, or handicapped clients of sheltered workshops not subject to the Fair Labor Standards Act of 1938, or subject to different minimum rates of pay under the two acts, authorizing appropriate rates of minimum wages (but without changing requirements concerning fringe benefits or supplementary cash payments in lieu thereof), applying procedures prescribed by the applicable regulations issued under the Fair Labor Standards Act of 1938 (29 CFR Parts 520, 521, 524, and 525).

(3) The Administrator will also withdraw, annul, or cancel such certificates in accordance with the regulations in 29 CFR Parts 525 and 528.

(r) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they perform when they are employed and individually registered in a bona fide apprenticeship program registered with a State Apprenticeship Agency which is recognized by the U.S. Department of Labor, or if no such recognized agency exists in a State, under a program registered with the Bureau of Apprenticeship and Training, Employment and Training Administration, U.S. Department of Labor. Any employee who is not registered as an apprentice in an approved program shall be paid the wage rate and fringe benefits contained in the applicable wage determination for the journeymen classification of work actually performed. The wage rates paid apprentices shall not be less than the wage rate for their level of progress set forth in the registered

Clause A-9, Service Contract Act (Services)--Continued.

## SOP FOR PURCHASING AND CONTRACTING

program, expressed as the appropriate percentage of the journeyman's rate contained in the applicable wage determination. The allowable ratio of apprentices to journeymen employed on the contract work in any craft classification shall not be greater than the ratio permitted to the Contractor as to his entire work force under the registered program.

(s) Tips. An employee engaged in an occupation in which the employee customarily and regularly receives more than \$30 a month in tips may have the amount of these tips credited by the employer against the minimum wage required by section 2(a)(1) or section 2(b)(1) of the Act, in accordance with section 3(m) of the Fair Labor Standards Act and Regulations 29 CFR Part 531. However, the amount of credit shall not exceed \$1.34 per hour beginning January 1, 1981. To use this provision--

(1) The employer must inform tipped employees about this tip credit allowance before the credit is utilized;

(2) The employees must be allowed to retain all tips (individually or through a pooling arrangement and regardless of whether the employee elects to take a credit for tips received);

(3) The employer must be able to show by records that the employee receives at least the applicable Service Contract Act minimum wage through the combination of direct wages and tip credit; and

(4) The use of such tip credit must have been permitted under any predecessor collective bargaining agreement applicable by virtue of section 4(c) of the Act.

(t) Disputes Concerning Labor Standards. The U.S. Department of Labor has set forth in 29 CFR Parts 4, 6, and 8 procedures for resolving disputes concerning labor standards requirements. Such disputes shall be resolved in accordance with those procedures and not the Disputes clause of this contract. Disputes within the meaning of this clause include disputes between the Contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

(End of clause)

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